

OAK RIDGE CITY COUNCIL MEETING
Municipal Building Courtroom

November 11, 2013—7:00 p.m.

AGENDA

I. INVOCATION

Reverend David Allred, High Places Church

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. APPEARANCE OF CITIZENS

V. PROCLAMATIONS AND PUBLIC RECOGNITIONS

A proclamation designating November 2013 as "*Contact Care Line*" month.

VI. SPECIAL REPORTS

- a. Oak Ridge Heritage Railroad Authority Annual Report 2013 from Gordon Fee, Chairman of the Board of Directors.
- b. City Manager Evaluation Committee Chair Charles J. Hope, Jr.

Adoption of a resolution to amend the City Manager's Employment Agreement to provide for an equivalent ten percent (10%) salary increase.

VII. CONSENT AGENDA

- a. Approval of the October 14, 2013 City Council meeting minutes.
- b. Approval of the October 28, 2013 City Council Work Session minutes.
- c. Adoption of a resolution awarding a contract (FY2014-66) to Ronald Franks Construction Co., LLC, Savannah, Tennessee, for the construction of pedestrian safety improvements in the estimated amount of \$364,655.07.
- d. Adoption of a resolution awarding a bid in the estimated amount of \$104,782.26 to HD Power Solutions, Knoxville, Tennessee, for the furnishing of six (6) VSA-16 reclosers.

VIII. RESOLUTIONS

- a. A RESOLUTION AUTHORIZING THE EXPENDITURE OF UP TO \$402,304.00 FROM THE EQUIPMENT REPLACEMENT FUND FOR THE PURCHASE AND EQUIPPING OF EIGHT (8) PATROL VEHICLES FOR THE POLICE DEPARTMENT FOR FISCAL YEAR 2014.
- b. A RESOLUTION APPROVING THE 2013 PILOT REAUTHORIZATION DOCUMENTS FOR USE BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE (IDB) AS A GUIDELINE FOR TAX ABATEMENTS AND PAYMENTS IN LIEU OF TAXES FOR QUALIFYING ENTITIES IN OAK RIDGE FOR THE PERIOD OF JANUARY 1, 2014 THROUGH DECEMBER 31, 2016.
- c. A RESOLUTION TO APPROVE THE TAX INCREMENT FINANCING (TIF) ECONOMIC

IMPACT PLAN FOR THE REDEVELOPMENT OF THE OAK RIDGE MALL ECONOMIC DEVELOPMENT AREA.

- d. A RESOLUTION TO ESTABLISH QUALIFICATION PREFERENCES FOR THE OAK RIDGE LAND BANK CORPORATION BOARD OF DIRECTORS, TO ESTABLISH GOALS AND OBJECTIVES FOR THE OAK RIDGE LAND BANK CORPORATION, AND TO PRIORITIZE THE DISPOSITION OF PROPERTIES HELD IN THE LAND BANK.

IX. PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

X. FINAL ADOPTION OF ORDINANCES

XI. ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

a. Elections/Appointments

Selection of a Council representative for the audit firm selection process.

b. Announcements

c. Scheduling

XII. COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

XIII. SUMMARY OF CURRENT EVENTS

a. CITY MANAGER'S REPORT

b. CITY ATTORNEY'S REPORT

XIV. ADJOURNMENT

**PROCLAMATIONS
AND
PUBLIC RECOGNITIONS**

CITY CLERK MEMORANDUM

13-50

DATE: October 9, 2013

TO: Honorable Mayor and Members of City Council

FROM: Diana R. Stanley, City Clerk

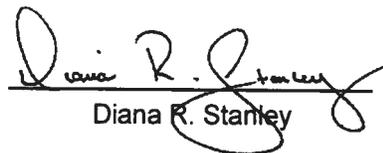
SUBJECT: PROCLAMATIONS AND PUBLIC RECOGNITIONS

The following proclamations are presented for the November 11, 2013 City Council meeting:

Contact Care Line Month

A proclamation for City Council's consideration is in response to a request from Ms. Deb Patterson, Executive Director for Contact Care Line, declaring November 2013 as "Contact Care Line" Month.

Several Contact Care Line employees will be present for the November City Council meeting to be involved in the issuance, including; Ms. Deb Patterson; Ms. Anna Shugart, President; and board members Mr. Kelly Callison, Kathy Olsen, Joy Henderson, and Roslyn Robinson.


Diana R. Stanley

Attachments:

Contact Care Line Month Proclamation

PROCLAMATION

WHEREAS, *CONTACT Care Line* contributes significantly to the health and basic needs of the citizens of Anderson County and surrounding areas; and

WHEREAS, *CONTACT Care Line*, is a non-profit, primarily volunteer staffed organization offering free, confidential critical support services to those in need who live in Anderson, Blount, Grainger, Jefferson, Knox, Loudon, Roane, Sevier, and Union Counties; and

WHEREAS, *CONTACT Care Line* opened in November 1973 and has served the 865 area code for 40 years and is the only free and universally accessible crisis call center in our community; and

WHEREAS, *CONTACT Care Line* fields 10,000 inbound calls and 9,000 outbound calls annually to reduce social isolation and build supportive community connections; and

WHEREAS, *CONTACT Care Line* promotes greater self-sufficiency, safer homes and communities, and better access to health and mental health services for those who otherwise could not afford them; and

WHEREAS, in offering "Art of Active Listening" training and volunteer opportunities to the community at large, *CONTACT Care Line* improves the collective mobilization of resources to meet the needs of individual members; and

WHEREAS, supportive community connections help build stronger families and a stronger community.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE that the month of November 2013 be proclaimed

"CONTACT CARE LINE" MONTH

in the City of Oak Ridge, Tennessee, and that all citizens be urged to join in congratulating the sponsors and participants of *Contact Management* and in extending best wishes for a successful and rewarding observance.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the City of Oak Ridge to be affixed, this the 11th day of November in the year 2013.

**THOMAS L. BEEHAN
MAYOR**

SPECIAL REPORTS



Oak Ridge
Heritage Railroad Authority

P. O. Box 5163

Oak Ridge, TN 37831-5163

Phone: 865.220.4264

Fax: 865.483.3218

November 11, 2013

Mayor Tom Beehan
City of Oak Ridge
P.O. Box 1
Oak Ridge, TN 37831-0001

Subject: Oak Ridge – Heritage Railroad Authority Annual Report 2013
(Covers from July 1, 2012 to June 30, 2013)

Dear Mayor Beehan:

The Oak Ridge – Heritage Railroad Authority is pleased to submit its 2012/2013 Annual Report to City Council in accordance with Council's resolution and State Law. The Authority was created on November 2, 2001, for the purpose of helping assure the economic future of the Heritage Railroad by seeking to obtain State funds for track and bridge maintenance and rehabilitation. Working in tandem, the Authority and Heritage Railroad Corporation (HRC) continue to make significant upgrades and improvements consistent with the State's long-range plans for its rail transportation network. To date, the Authority has obtained \$2.282M in upgrades and improvements.

Heritage Railroad continues to serve as a key element of Heritage Center's transportation infrastructure deemed critical to the long term success of the Heritage Center Industrial Park (formerly the East Tennessee Technology Park (ETTP)), and the future growth and development of the City's west end. The 11.5-mile Heritage Railroad is owned by Heritage Railroad Corporation (HRC), which is a wholly owned subsidiary of EnergySolutions. The land on which the railroad is constructed is leased from the Department of Energy. HRC contracts for the actual operations and maintenance of the railroad with Walden's Ridge Railway Corporation.

The August 20, 2001 Council resolution creating the Authority prohibits the use or obligation of City funds. To date, CROET or EnergySolutions has provided all financial and administrative support not otherwise covered by grant funds.

The Oak Ridge Heritage Railroad Authority Agreement with Heritage Railroad Corporations was renewed in August 2013.

The Authority consists of two members: myself as its Chairman, and Dr. Pete Craven, who serves as its Secretary/Treasurer. Mr. Troy Eshleman, Executive Manager of Heritage Railroad Corporation, serves as the Authority's elected Chief Executive Officer (non-voting) and coordinates the Authority's administrative support. Mr. Ken Krushenski, City Attorney, has attended all meetings of the Authority to ensure it complies with the enabling statute and applicable protocols as an instrumentality of the City of Oak Ridge. The Authority obtains technical engineering support for its activities under a contract with Crouch Engineering located in Brentwood, Tennessee. All compensation for engineering support is funded out of State grants.

Pursuant to its charter, the Authority continues to direct its efforts in performing requisite tasks to qualify for funding from the Tennessee Department of Transportation (TDOT) under its Track and Bridge Rehabilitation Program. A history of the Authority's appropriations received from the State of Tennessee to date is shown in the following Table:

Appropriations Received From State of Tennessee				
Fiscal Year	Engineering	Bridge Upgrade	Track Upgrade	Total Allocation
2002/2003	\$ 44,981.00	\$ 54,942.00	\$ 191,004.00	\$ 290,927.00
2003/2004	\$ 25,915.00	\$ 60,896.00	\$ 191,004.00	\$ 277,815.00
2004/2005	\$ 24,293.00	\$ 48,454.00	\$ 197,721.00	\$ 270,468.00
2005/2006	\$ 19,328.00	\$ 50,661.00	\$ 97,788.00	\$ 167,777.00
2006/2007	\$ 20,197.00	\$ 49,374.00	\$ 119,635.00	\$ 189,207.00
2007/2008	\$ 20,197.00	\$ 49,374.00	\$ 119,635.00	\$ 189,206.00
2008/2009	\$ 20,197.00	\$ 49,374.00	\$ 119,635.00	\$ 189,206.00
2009/2010	\$ 19,576.00	\$ 52,291.84	\$ 103,176.20	\$ 175,044.04
2010/2011	\$ 25,842.00	\$ 37,368.00	\$ 105,084.00	\$ 168,294.00
2011/2012	\$ 17,743.00	\$ 37,368.00	\$ 107,981.00	\$ 163,092.00
2012/2013*	\$ 20,481.00	\$ 46,427.00	\$ 134,852.00	\$ 201,760.00
Total	\$ 258,750.00	\$ 536,529.84	\$ 1,487,515.20	\$ 2,282,796.04

*Note: All funds have been frozen by TDOT as of September 2013 until further notice.

To comply with Federal Railroad Administration bridge compliance rules, a bridge management plan was revised in January 2013 for the Oak Ridge-Heritage Railroad Authority. As part of the bridge management plan load ratings were calculated for each bridge and new bridge plans were developed.

The TDOT Track and Bridge Rehabilitation Programs have a 10 percent match requirement of all projects requested by Heritage Railroad, and the 10 percent matching requirement must be made during the TDOT contract year. All matching funds for TDOT allocations received to date have been provided by the operating company EnergySolutions or its predecessor company CROET. By accepting TDOT funds, the Authority is agreeing that Heritage Railroad Corporation will provide rail service for a period of no less than ten years subsequent to receipt of funds.

In order to qualify for State appropriations, the Authority must contract for an annual inspection of all bridges on the line and submit a report on the findings to TDOT. The most recent inspection was completed in March of 2013 and submitted to TDOT. No urgent or critical repairs were recommended at the completion of the inspections. The bridges continue to be overall in good condition.

During the period covered by this report, Bundrick Grading & Construction Co. was awarded a contract from 2011/2012 FY Track Rehabilitation Project for Highway 327 Grade Crossing and Track Rehabilitation. The project was completed in November 2012.

JRC Company Inc. was awarded a contract from the 2011-2012 FY Bridge Rehabilitation Project on Heritage Railroad – Bridge # 2, MP 2.09. The project included deck tie replacement on the bridge. The project was completed in March 2013.

In addition, Atlas Railroad Construction, LLC was awarded a contract from the 2011-2012 FY Bridge Rehabilitation Project on Heritage Railroad – MP 2.68, Bridge #3 – Phase One. However, Atlas decided to back out of the contract due to their subcontractor increased pricing and the contract was over the 120 day time limit. TDOT was notified and the contract was canceled.

In determining how to expend the State appropriated funds, the Authority takes into consideration the recommendations of Heritage Railroad Corporation and the projected rail traffic over various sections of the line. We believe the State funds, coupled with the matching monies provided by Heritage Railroad Corporation, have made it possible to maintain safe and reliable rail services.

Compared to the previous year, traffic on the Railroad showed a 31% increase (1,491 cars in 2012 versus 1,032 cars in 2011). The total car count and tonnage went up significantly from 2011-2012 and this was primarily a result of loaded tank cars stored. HAZMAT traffic also increased significantly in number of cars and tonnage compared to the previous year. Passenger (excursion) railcar traffic decreased slightly compared to the previous year, with 6,209 passengers in 2012 versus 6,753 in 2011. The primary customers on the railroad continued to be Southern Appalachian Railroad Museum, EnergySolutions, East Tennessee Rail Car Services, JM Huber, and Olin Chemical.

Each year the State of Tennessee requires an audit of all grant funds, the audit for the 2011/2012 period was received on April 23, 2013. There were no findings by the auditors. A copy of the audit report was provided to the City and the State. The audit for the 2012/2013 period was completed in October 2013. There were not findings by the auditors. The audit report will be distributed as soon as it is available.

On September 23, 2013 Oak Ridge Heritage Railroad Authority was notified that TDOT was freezing all unspent grant funds and that no further allocations would be made as a result of a recent adverse ruling against the State by a Federal Court. The Court ruled in a law suit filed by the Class I railroads that the use of diesel fuel tax to fund the grant program was illegal. This ruling is being appealed by the State but until it is resolved or a legislative fix put in place no further bridge or track rehabilitation funds are expected to be available.

The Tennessee Short Line Railroad Alliance, which the Authority is a member of, has developed a legislative fix and will be lobbying for it during the upcoming 2014 session.

The Authority has requested the Heritage Railroad Company to assess the impact of this situation, both short and long term, and to provide a report to the Authority by the end of the calendar year.

We would be happy to provide any additional information you might require.

Sincerely,



Gordon Fee, Chairman

cc: Pete Craven, Secretary/Treasurer
Harvey Crouch, Crouch Engineering
Troy Eshleman, Chief Executive Officer
Ken Krushenski, Oak Ridge City Attorney
Mark Watson, Oak Ridge City Manager
Kwabena Aboagye, TDOT

**CITY MANAGER EVALUATION COMMITTEE
MEMORANDUM**

DATE: August 22, 2013

TO: Fellow Members of City Council

FROM: City Manager Evaluation Committee
Councilmember Charles J. Hope, Jr., Chair
Councilmember L. Charles Hensley
Mayor Pro Tem D. Jane Miller

SUBJECT: CITY MANAGER EVALUATION REPORT AND RECOMMENDATIONS FOR FY2013

The City Manager Evaluation Committee met on August 21, 2013 to develop its recommendation to the Council based on their review of the completed performance evaluations of the City Manager. Committee members Hensley, Miller, and myself were present along with the City Manager Mark S. Watson and City Clerk Diana R. Stanley.

The results of the completed performance evaluations are attached along with the City Manager's Employment Agreement.

Following a review and discussion, the Committee unanimously recommends the continuation of Mr. Watson's contract as City Manager and supports the following recommendation:

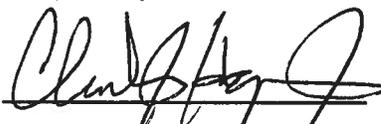
1. That the City Manager be awarded a 10% salary increase based on the evaluation results and previous years' performance. The salary increase will be effective to the date of the City Manager's contract.

The Committee also wished to include salary information of other City Manager's in the State of Tennessee, as well as three (3) other Department of Energy host cities as a salary comparative.

The attached resolution amends the City Manager's Employment agreement to provide for the recommended salary increase.

The Committee recommends its adoption as a measure of compensation for the City Manager's excellent performance as indicated by the evaluations completed by the councilmembers.

Respectfully submitted,



Charles J. Hope, Jr., Chair
City Manager Evaluation Committee, 2013

Attachments:

City Manager Employment Agreement
FY2013 City Manager Evaluation Results
City Manager Salary Information
Resolution

EMPLOYMENT AGREEMENT
Mark S. Watson, City Manager

This is an agreement entered into this 15th day of July, 2010 between the City of Oak Ridge (the City) by the City Council and Mark S. Watson (City Manager) to provide for the employment of Mark S. Watson as City Manager of the City of Oak Ridge and to set forth the terms and conditions of his employment and the mutual obligations, rights and duties of each party.

Now, therefore, in consideration of the mutual promises as set forth in this agreement, the City of Oak Ridge and Mark S. Watson agree as follows:

Section 1. Duties

City Council agrees to employ Mark S. Watson as City Manager of the City of Oak Ridge to perform the functions and duties as specified in the City Charter and the City Code, and to perform such other legally permissible and proper duties and functions as the City Council shall from time to time assign.

Section 2. Term

A. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the City Council to terminate the services of the City Manager at any time, subject only to the provisions set forth in Section 5, Paragraphs A and B, of this agreement.

B. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the City Manager to resign at any time.

C. Except as otherwise herein stated, this agreement shall become effective as of August 9, 2010 and shall continue in effect until August 8, 2013, except as provided in Section 2, Paragraph D.

D. In order to extend the term of this agreement, City Council shall take action by February 1, 2013. However, upon the request of the City Manager during this same period, City Council shall make a decision as to whether it desires to extend said agreement.

Section 3. Performance Evaluation

A. No later than the last business day of June of each year, City Council and the City Manager shall establish performance criteria and goals and objectives which shall provide the basis for the evaluation of the City Manager for the following fiscal year. The performance criteria and the goals and objectives will be those that are necessary for the proper operation of the City and the attainment of City Council's policy objectives. The performance criteria and the goals and objectives shall be assigned a relative priority, and shall generally be attainable within the time limitations established and within the annual operating and capital budgets and the appropriations provided.

B. The first formal evaluation of the City Manager's performance shall be completed by July 31, 2011. Thereafter, evaluations shall be conducted on an annual basis by July 31 of each year for the previous fiscal year.

Section 4. Code of Ethics

Inasmuch as the City Manager is an active member of ICMA, the "Code of Ethics" promulgated by ICMA is incorporated herein and attached hereto, and by this reference made a part hereof. Said Code of Ethics shall furnish principles to govern the City Manager's conduct and actions as the City Manager of the City.

Section 5. Termination and Severance Pay

A. In the event the City Manager is terminated by the Council at its will and pleasure, during such time that the City Manager is willing and able to perform his duties under this agreement, then in that event the City agrees to pay the City Manager a lump sum cash payment equal to six (6) months' aggregate salary plus one (1) additional month's aggregate salary for each year of service for the first six years, not to exceed a total of 12 months, plus any accrued general leave and benefits less applicable deductions as required by agreement, law, ordinance or policy for other employees and/or the City Manager's matching portion of benefits provided for and during said severance period. At City Council's option, the actual resignation date may be extended through earned and accrued leave balances due the City Manager then in effect. Provided, however, that in the event the City Manager is terminated "for just cause," then in such event, the City shall have no obligation to pay the aggregate severance sum designated in this paragraph. "Just cause" is defined and limited for the purposes of this Agreement to the following reasons: (1) willful neglect of duty; (2) felony or misdemeanor conviction of any crime involving moral turpitude; (3) violation of duties by the City Manager of honesty and sobriety; (4) any other act of a similar nature of the same or greater seriousness.

B. In the event the City at any time reduces the salary or other financial benefits of the City Manager in a greater percentage than an applicable across-the-board reduction for all City employees, then the City Manager may at his option be deemed to be "terminated" at the date of such reduction within the meaning and context of the herein severance pay provision.

Section 6. Disability

If the City Manager becomes permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of four successive weeks beyond any accrued leave, the City shall have the option to terminate this agreement, subject to the severance pay requirements of Section 5, Paragraphs A and B.

Section 7. Salary

A. City agrees to pay the City Manager for his services rendered pursuant hereto an annual base salary of \$131,996.80, payable in installments at the same time as other City employees are paid.

B. In addition, City agrees to increase said base salary and/or other benefits of the City Manager in such amounts and to such an extent as the City Council may determine desirable on the basis of the performance evaluation developed as required by Section 3 of this agreement. Nothing in this paragraph shall require the City to increase the base salary or other benefits of the City Manager.

Section 8. Hours of Work

The City of Oak Ridge requires the full-time service of its City Manager and, therefore, in the event the City Manager is not available for his duties, he shall designate a City employee as his representative to be responsible in his place, and so inform members of City Council when appropriate.

Section 9. Automobile and Communications Equipment

A. The City Manager requires that he shall have for business and personal use during his employment with the City an automobile provided to him by the City. City shall be responsible for paying liability, property damage, and comprehensive insurance and for the purchase, operation, maintenance, repair, and regular replacement of said automobile.

B. The City agrees to provide a mobile or portable radio compatible with the City's radio system for the City Manager's exclusive use.

C. The City agrees to provide a cellular or digital telephone for the exclusive business and personal use of the City Manager.

Section 10. Dues and Subscriptions

The City agrees to budget and to pay the professional dues and subscriptions of the City Manager for his continuation and full participation in national, regional, state, and local associations, organizations, and service clubs as necessary and desirable for his continued professional participation, growth, and advancement, and for the good of the City.

Section 11. Professional Development

A. The City agrees to budget and to pay the travel and subsistence expenses of the City Manager for professional and official travel, meetings, and occasions adequate to continue the professional development of the City Manager and to adequately pursue necessary official and other functions for the City, including but not limited to the Annual Conference of the International City Management Association, the Tennessee Municipal League, and such other national, regional, state, and local governmental groups and committees thereof which the City Manager serves as a member.

B. The City also agrees to budget and to pay for the travel and subsistence expenses of the City Manager for short courses, institutes, and seminars that are necessary for his professional development and for the good of the City.

Section 12. Retirement

A. The City Manager shall be immediately covered by the Tennessee Consolidated Retirement System in the same manner as is provided all other general employees of the City.

B. The City may contribute to the City Manager's Deferred Compensation Plan with the International City Management Association Retirement Corporation, on behalf of the City Manager, a sum equal to the annual contribution to such plan by the City Manager. Such annual contribution by the City shall not exceed three (3) percent of the City Manager's annual salary.

Section 13. Community Involvement

The City recognizes the desirability of representation in and before local civic and other organizations, and the City Manager is encouraged to participate in these organizations in order to maintain a continuing awareness of our community attitudes and ideas.

Section 14. Leave

The City Manager shall be credited 120 hours of general leave and 140 hours of emergency leave upon the effective date of his employment with the City and shall thereafter accrue leave in the same manner as other City employees and as specified in Article 11 of the City of Oak Ridge Personnel Plan.

Section 15. Medical, Dental, Disability, Long-Term Care, and Life Insurance Benefits

The City agrees to provide medical, dental, disability, long-term care and life insurance benefits to the City Manager, and to pay the premiums thereon equal to that which is provided all other general employees of the City.

Section 16. Liability Protection

The City shall provide the same liability protection for the City Manager as provided for all general employees of the City, as specified in Section 13.4 of the Personnel Ordinance.

Section 17. Bonding

The City agrees to bear the full cost of any fidelity or other bonds required of the City Manager under any law, ordinance or regulation.

Section 18. Residence

The City requires and the City Manager agrees to maintain his principal residence inside the corporate limits of the City during the term of this agreement including any renewals and extensions.

Section 19. Moving and Relocation Expenses

A. The City agrees to pay for the expenses of moving the City Manager, his family and personal property from Yuma, Arizona, to the City of Oak Ridge, with said moving expenses to include packing, moving, storage costs, unpacking, and insurance charges. The City Manager agrees to secure at least three bids from reputable moving companies for such services, and shall use the lowest responsible bidder.

B. The City shall assume the reasonable costs for one visit to Oak Ridge by the City Manager and his wife which shall be for the purpose of locating a principal residence within the City limits.

C. The City shall pay for up to one month's temporary housing costs if necessary.

Section 20. General Provisions

A. The text herein shall constitute the entire agreement between the parties.

B. If any provisions contained in this agreement, or portion thereof, are held to be unconstitutional, invalid, or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected, and shall remain in full force and effect.

APPROVED AS TO FORM AND LEGALITY:

CITY OF OAK RIDGE, TENNESSEE

Kurt R. Kushkush
City Attorney

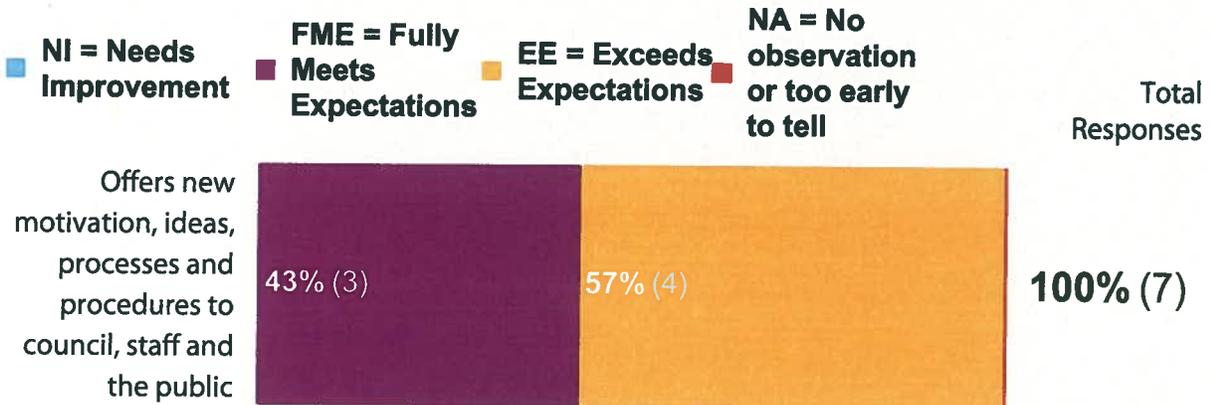
Sherry J. Beehan
Mayor

Mark S. Watson
City Manager

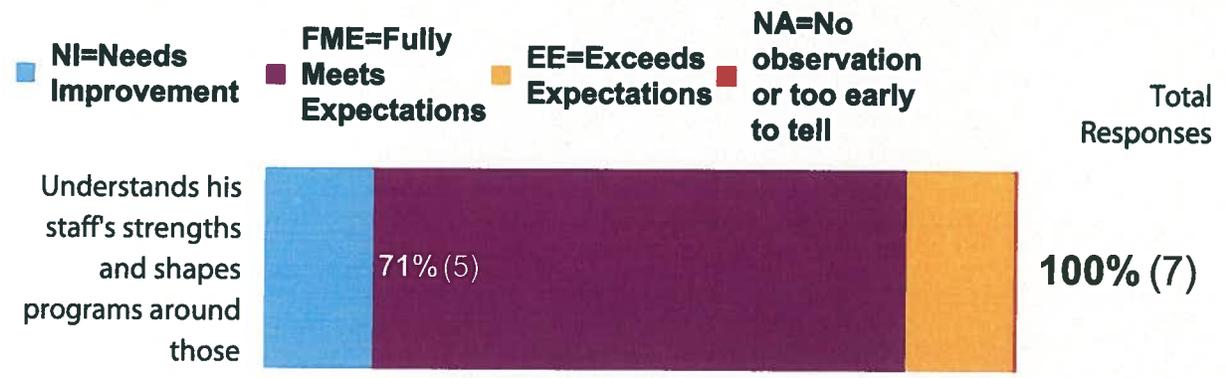
ATTEST:

Jacquelyn J. Bernard
City Clerk

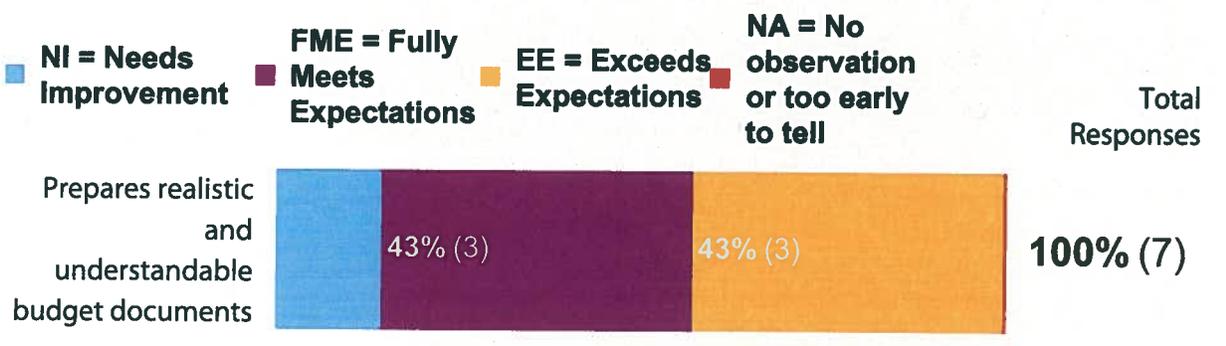
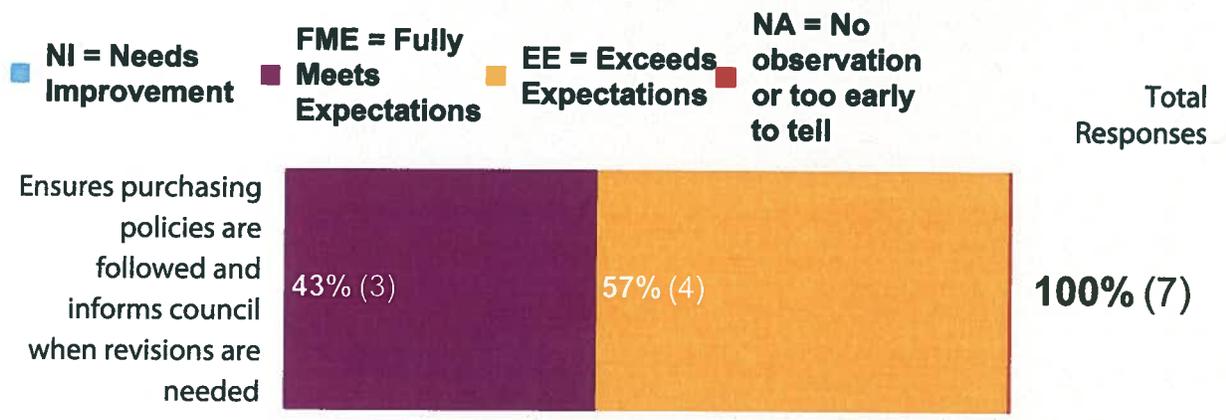
Leadership

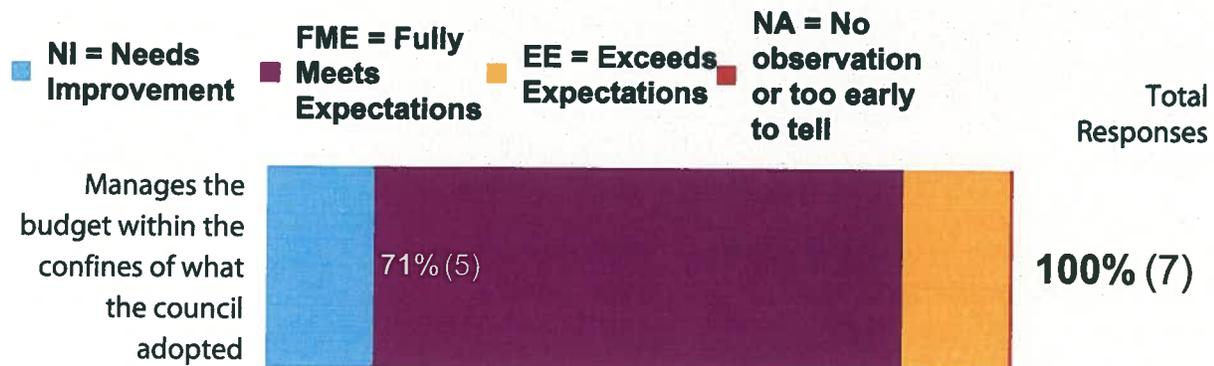
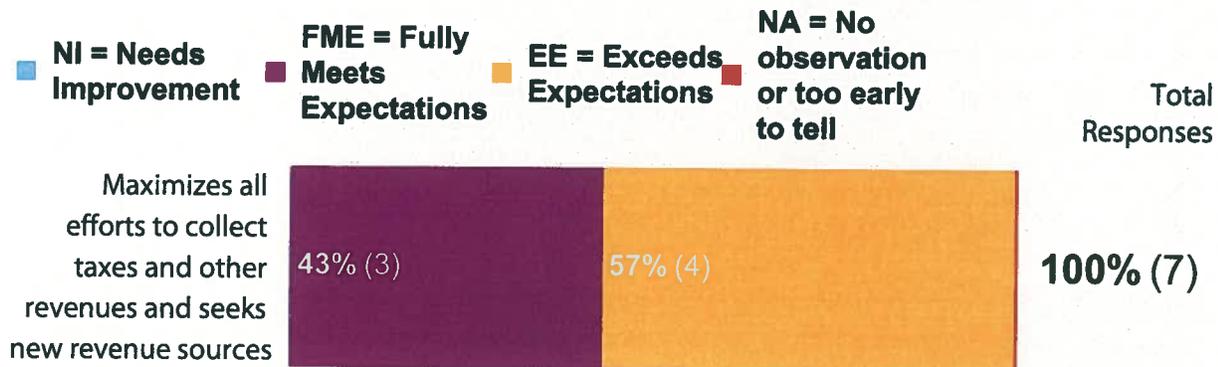
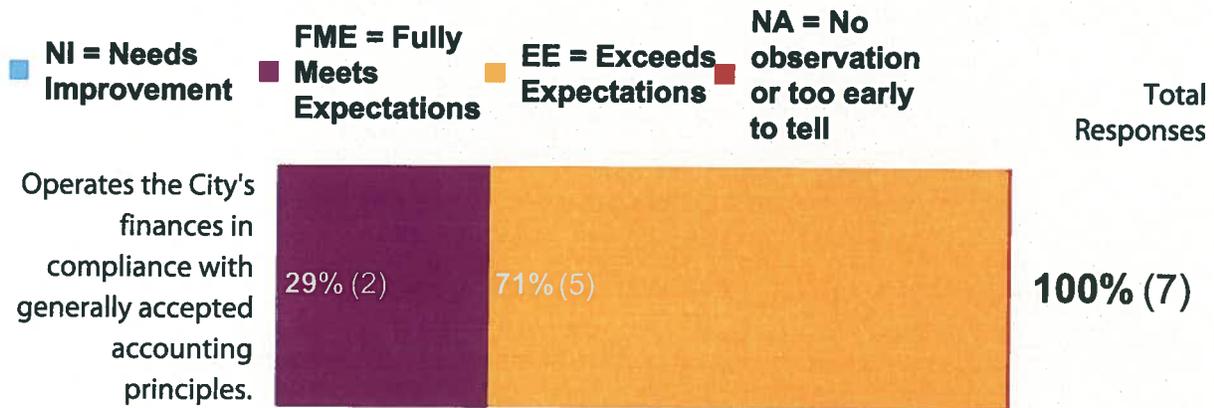


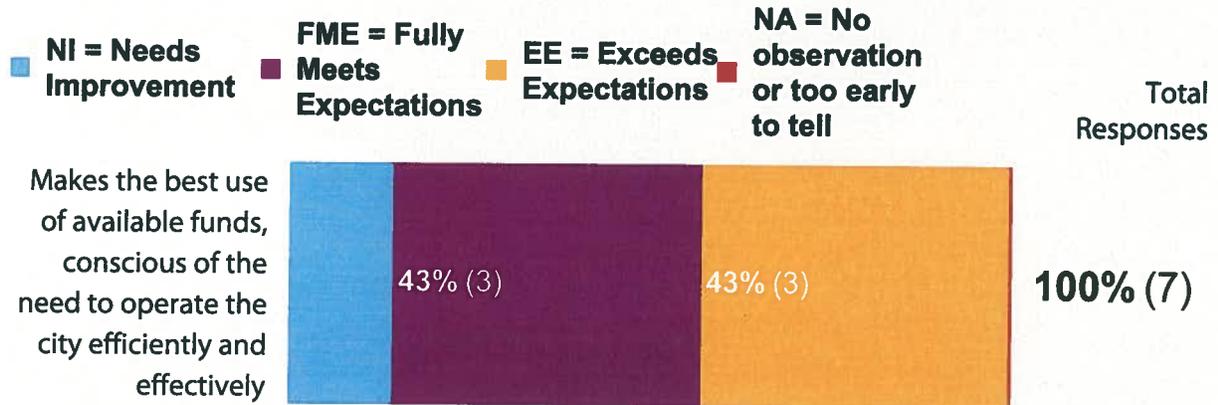
Fiscal Management and Budgeting



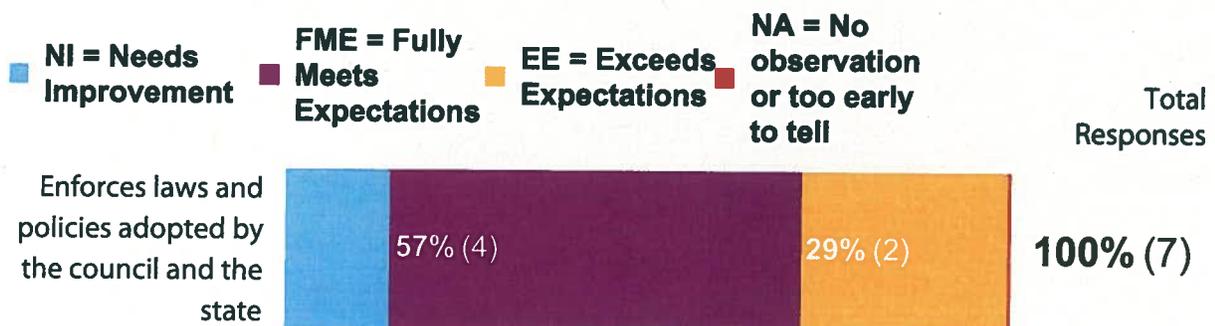
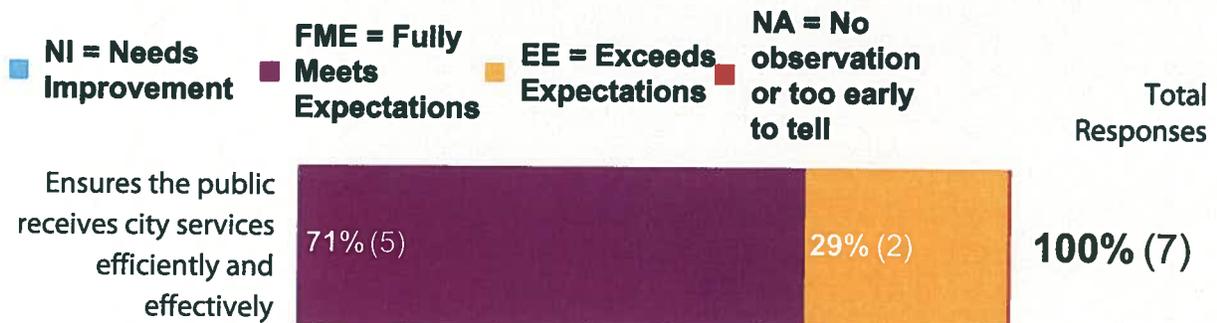
Fiscal Management and Budgeting

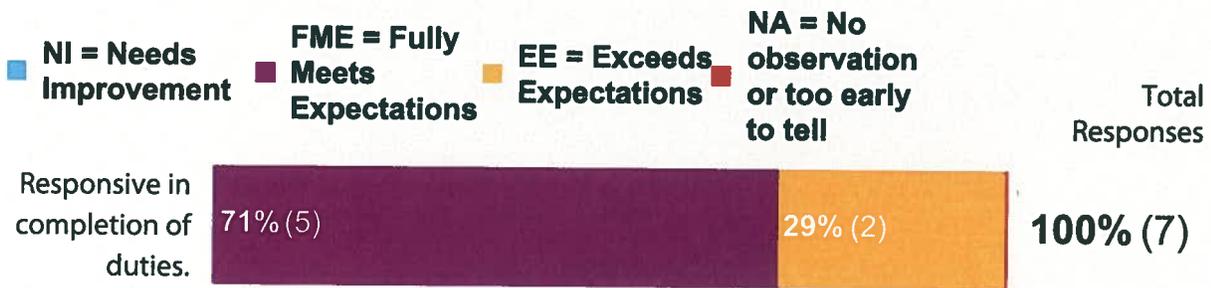
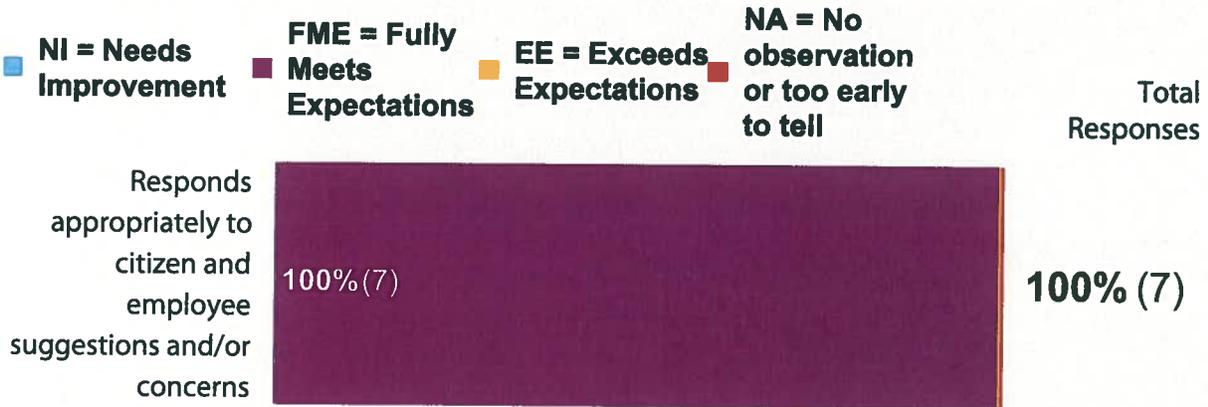
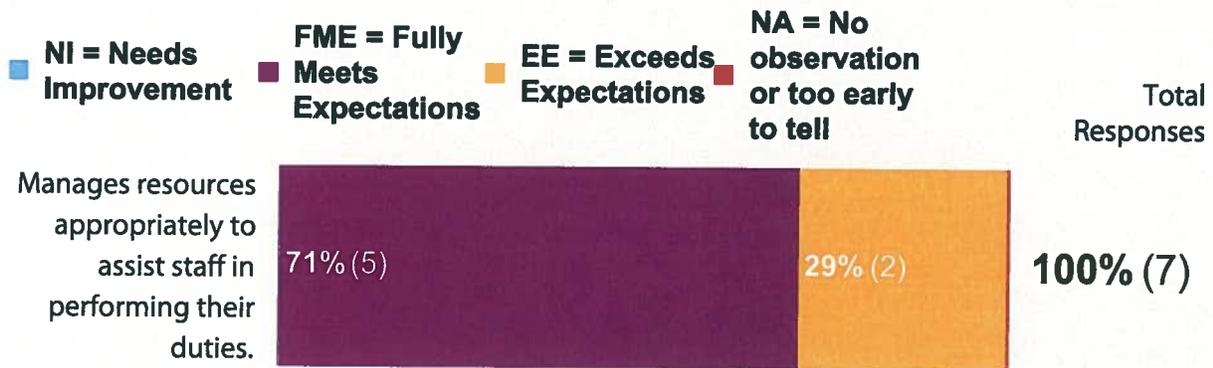




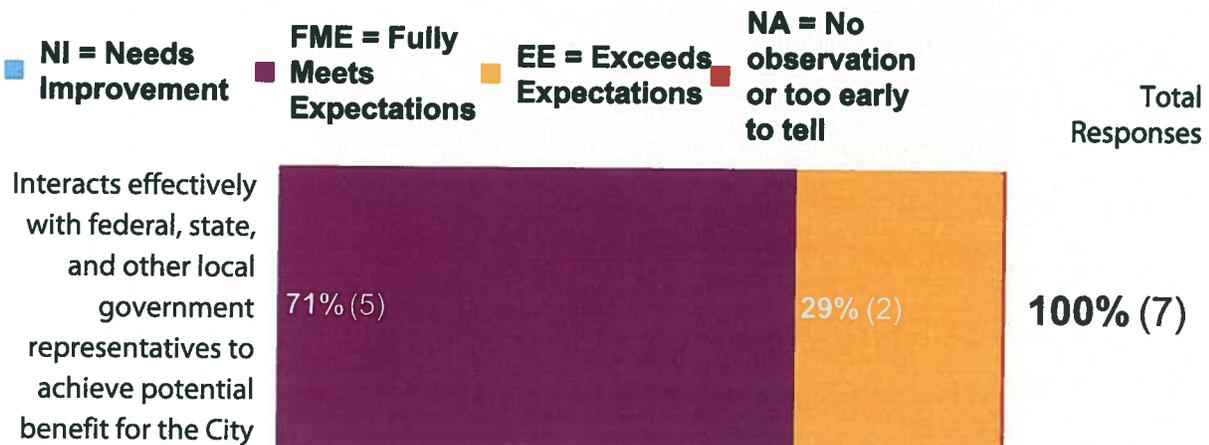
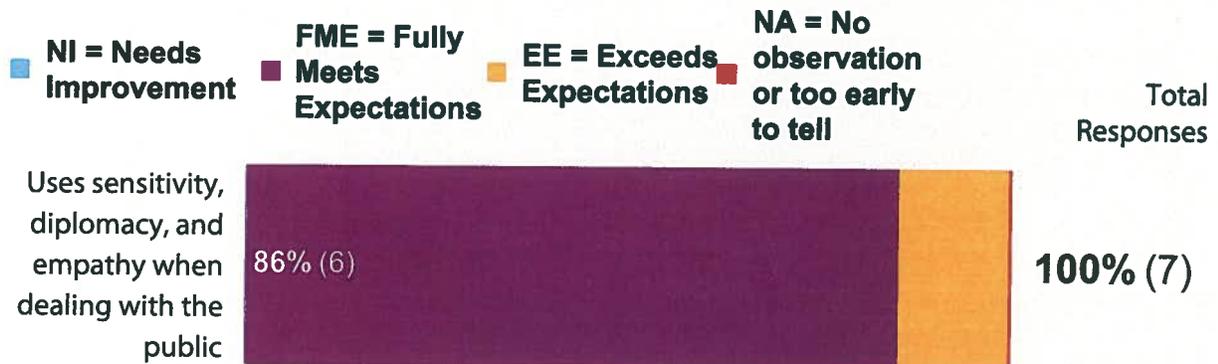
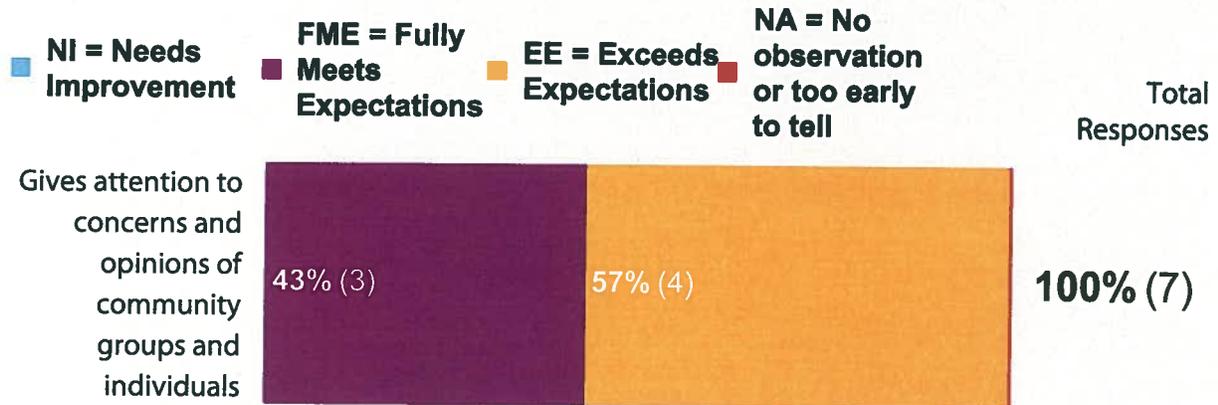


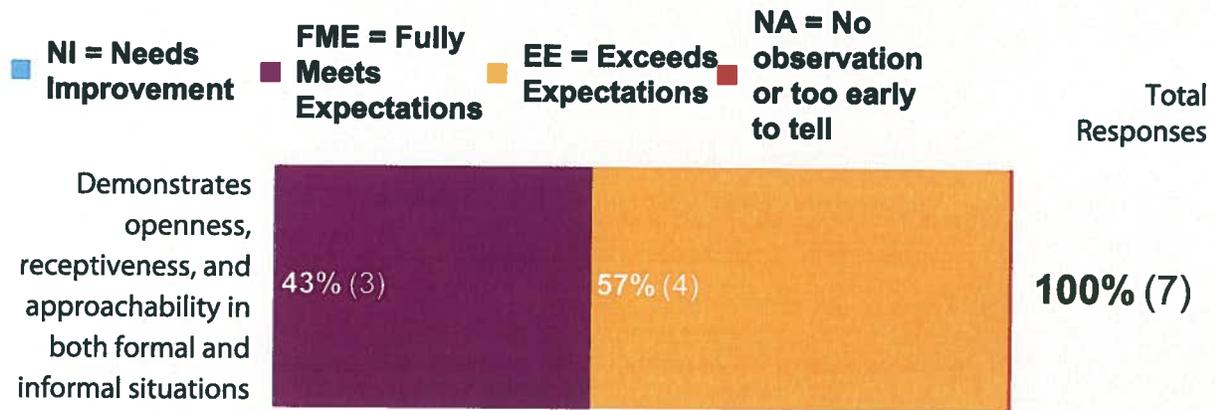
Service Delivery and Administration



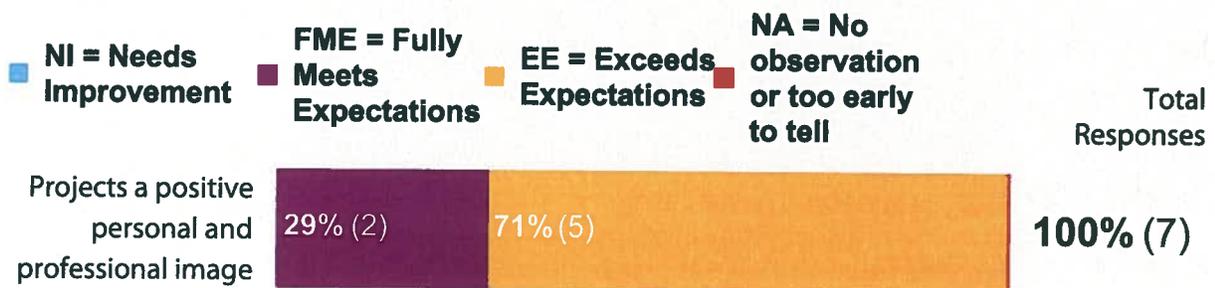


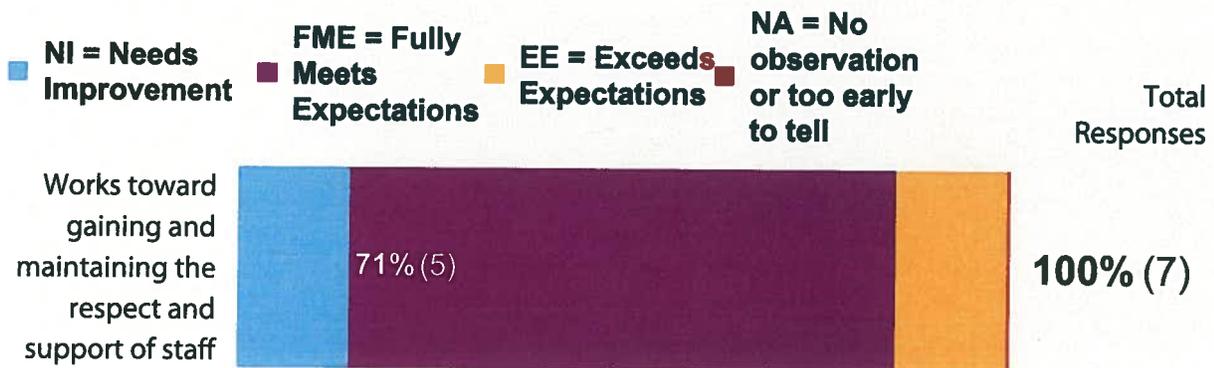
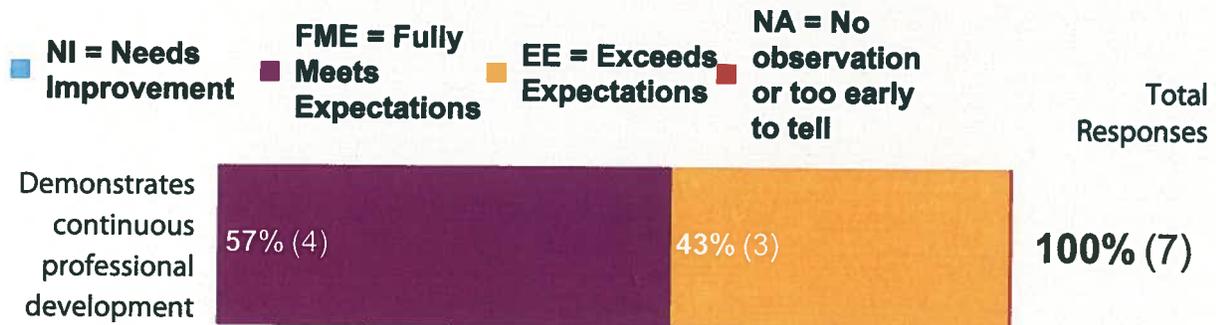
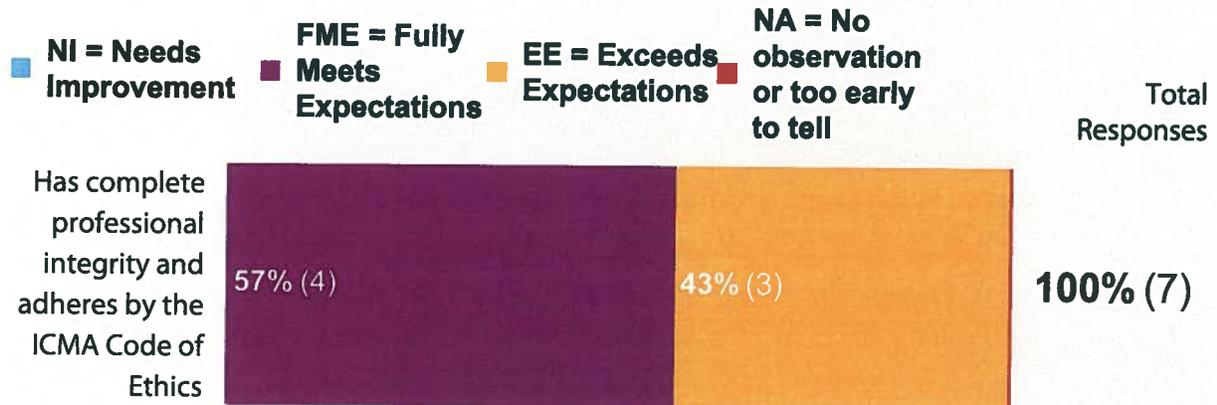
Citizen and Community Relations



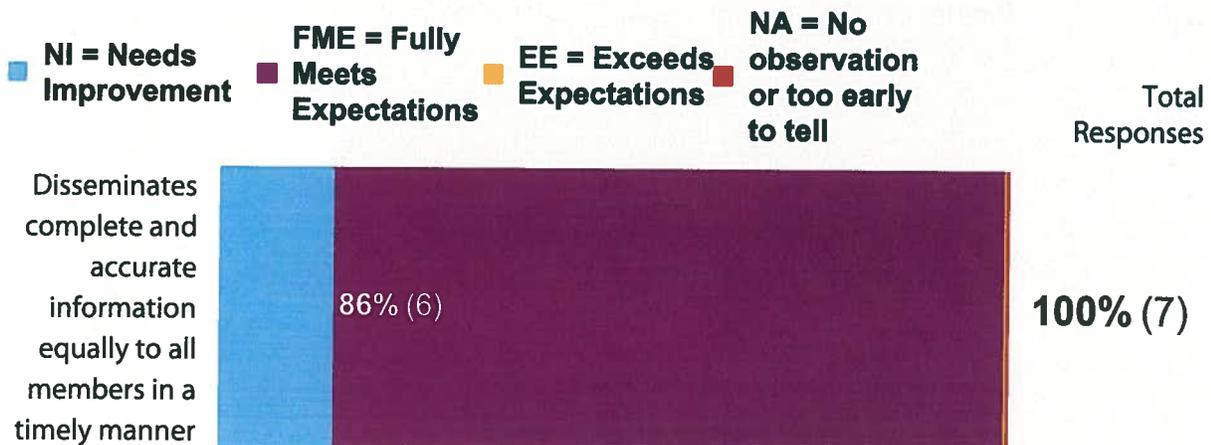
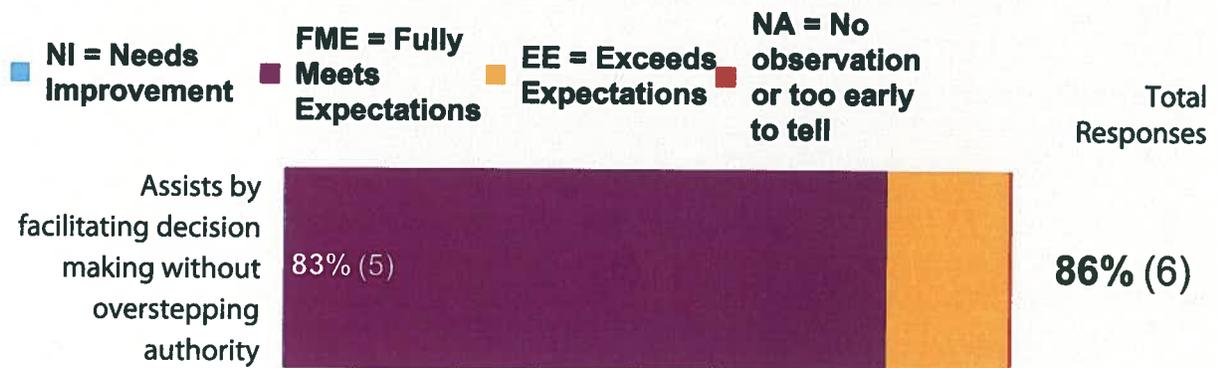
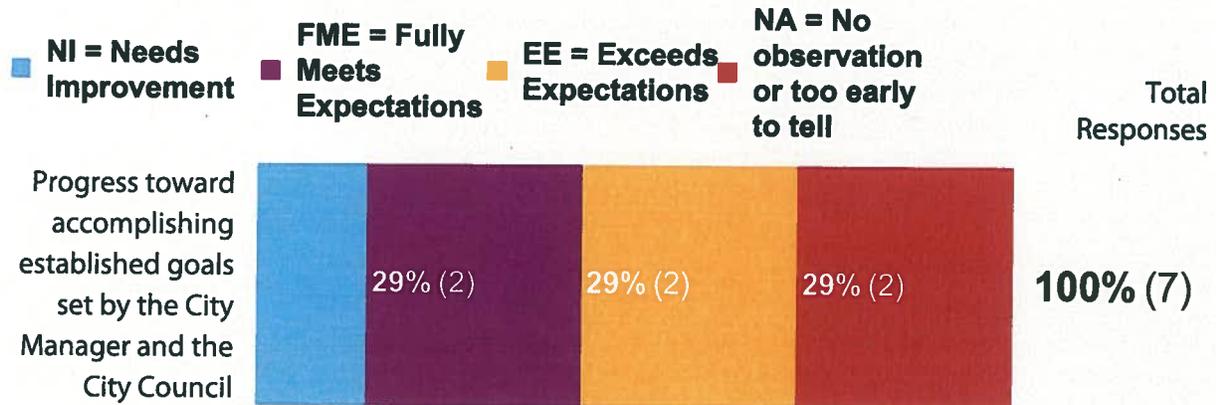


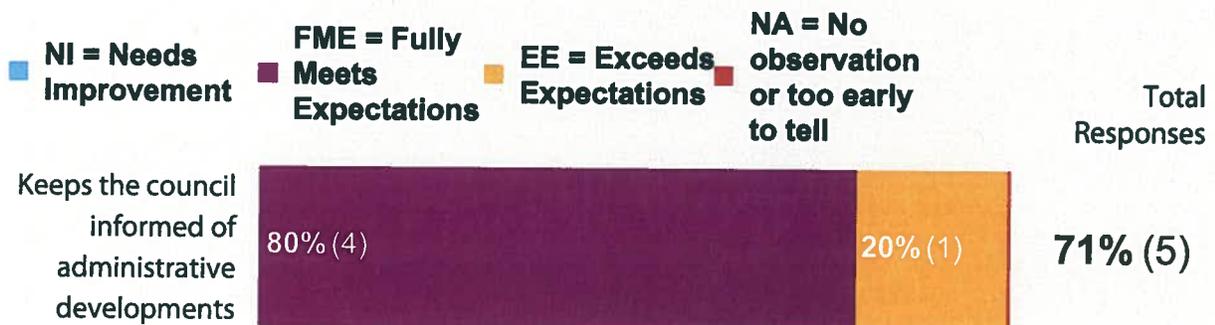
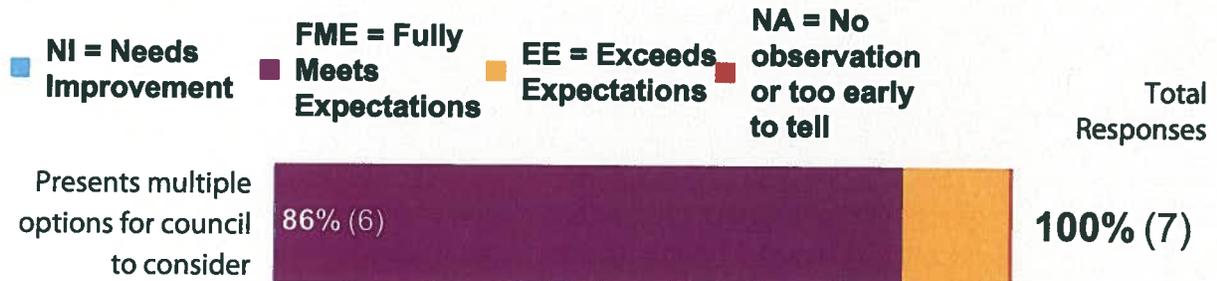
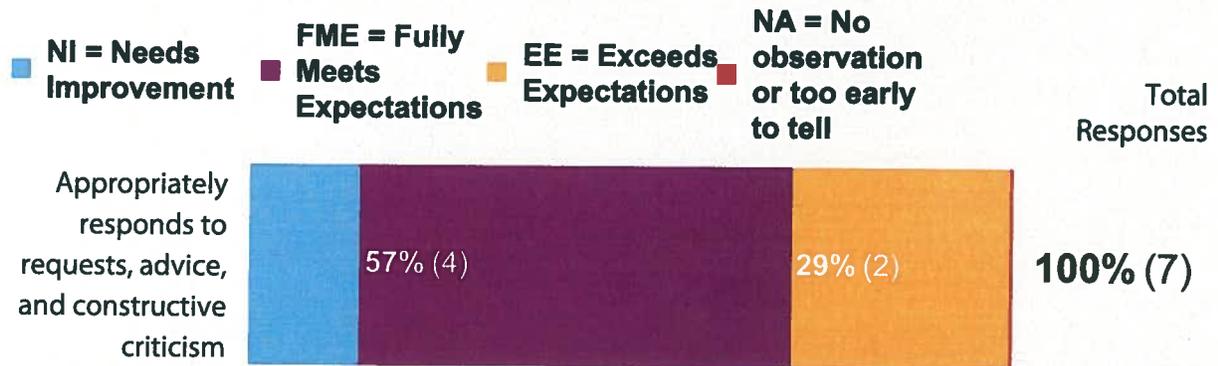
Personal and Professional Qualities





City Council Relations





Takes a proactive approach to issues

I am impressed with Mark's broad perspective and ideas to address problems in the city.

Mark has demonstrated a willingness to think outside of the box. His continuing education has led to some unique and beneficial changes to the City staff functions.

Mark does a super job as a leader for the City. He certainly inspires subordinates, peers, city council to achieve city goals.

He is creative and resourceful and does a great job communicating to build the support needed for city initiatives.

Though initiated prior to my term, your continued work on the Not in our City plan most assuredly demonstrates ingenuity and a proactive approach. I am also very proud of the work that you and your staff have done to overcome obstacles with regards to school safety.

Provides mentoring and coaching to key staff

Not sufficient data to determine. In some instances, staff changes were done in too rapidly but all have worked out well.

In my observations, Mark has done a great job mentoring and coaching Dept. Heads.

Continues to make improvements with key staff , and with changing the culture of how it has always been done this is an opportunity to institute 360 evaluation

Offers new motivation, ideas, processes and procedures to council, staff and the public

Reorganization initiatives have brought new skills and connections to staff functions.

Agreed.

Would prefer that Mark be forthcoming with all of council about his thinking and encourage us to participate fully in the leadership.

Changing our approach to economic development was no small feat and I commend you for for successfully gaining council support to do so.

Understands his staff's strengths and shapes programs around those

The "Not in our City" initiatives are still developing and current and future impacts appear promising.

Mark does a good job in challenging the staff to get the job done.

I've shared with you my concerns about how staff perceives your management style in that some do not feel inspired nor supported. I hope that you took my criticism as constructive and am confident that you've already begun to address the issue.

Ensures purchasing policies are followed and informs council when revisions are needed

In the midst of some very challenging problems for Oak Ridge, we are both stable financially and improving.

Mark has done an excellent job offering budget alternatives to the council under difficult conditions.

I would like to see a more detailed report on purchasing procedures, and be better informed when a decision needs council's approval

I would presume that policies are followed though exceptions are regularly sought, indicating a need for review and possible revision.

Would like to start earlier on presentations to the council.

However the first cut should be the City Manager's best effort.

Operates the City's finances in compliance with generally accepted accounting principles.

The annual audit continues to show that Oak Ridge's budgetary policies exceed expectations.

Manages the budget within the confines of what the council adopted

Totally in compliance with Council direction.

Through the recent processing of waived competitive bids, it was revealed that there are areas within the budget that are substantially padded without justification, sometimes by as much as double (i.e. water chemicals and temporary staffing).

This contradicts your presentation to council of a "extremely tight" budget. Greater efforts need to be made to clarify what is truly needed for each department and what is added in as contingency or placeholders.

Prepares realistic and understandable budget documents

The FY 2012 budget document contained more activity descriptions and was an improvement over previous documents.

I am disappointed and concerned with the demise of the Budget and Finance Committee of Council and the relegation of the Multi-year model to the background. In my opinion, the Multi-year model is a very useful tool for visualizing the overall status of the City finances and the Budget and Finance Committee was a very useful tool for collecting budgetary data in a more timely way.

Mark provides and repeats numerous times for the understanding of Council and the public.

Always an area that needs to be clarified, the more detail the city manager can provide council in the budget cycle, makes it a better process for everyone

Maximizes all efforts to collect taxes and other revenues and seeks new revenue sources

New policies implemented under Mark's leadership have greatly reduced losses due to delinquent utility payments and other sources of financial "leaks".

Excellent job.

You have aggressively pursued the traditional sources of revenue (property and sales tax) and have made efforts to address issues that have negatively impacted revenue. I strongly encourage you to also seek new sources that alleviate the tax burden that so heavily weighs us down (i.e. PILTS on nonprofits, full taxation on abated properties, etc.)

Makes the best use of available funds, conscious of the need to operate the city efficiently and effectively

Mark continues to seek budget controls and a greater focus on efficient use of resources.

I applaud you for successfully holding the tax rate at the same level each year that you've been here. There is always room for improvement and efficiency. Please take a closer look at programs such as the library and determine how we can operate more efficiently and thus save taxpayer money.

Ensures the public receives city services efficiently and effectively

Marks focus on reliable City services helps make Oak Ridge a safe and secure place.

Makes every effort to provide city services and respond to citizens.

You have repeatedly stated that "maintaining current services" is a goal of yours. Doing so does not preclude a reduction in spending. Many taxpayers value having access to more of their money than having luxury government services. I challenge you to maintain city services in more efficient, effective ways.

Manages resources appropriately to assist staff in performing their duties.

Marks focus of a better and efficient police force continues to make significant differences in our livability.

Responsive in completion of duties.

Works many hours over 40 to get the job done.

Enforces laws and policies adopted by the council and the state

Please strive for consistency in code enforcement as well as the application of rules and procedures regarding boards and commissions.

Responds appropriately to citizen and employee suggestions and/or concerns

Mark is open to ideas of citizens, employees and council.

The manager models diplomatic responses to citizen concerns.

Would like him to sit on the police department a little to become more humble in their dealings with the citizens- their employers.

Gives attention to concerns and opinions of community groups and individuals

I would like to see a more sensitive approach to protecting our unique natural resources (Greenways and wilderness areas) and less tendency to sacrifice for short term gain.

Very involved in the community and always open to hearing what others have to say. Very patient in listening to others.

Except for "open." Mark seems to still his thoughts close to the vest unless he is certain the person with whom he is conversing agrees with him.

Oak Ridge is blessed with a highly active and engaged citizenry. You do a great job getting out into the community and keeping an ear to the ground.

Interacts effectively with federal, state, and other local government representatives to achieve potential benefit for the City

Mark is outgoing and proactive in his relationship with government contacts. Also, he has added resources to his staff that he can leverage for further communications.

Mark understands the up and downs of being in a highly funded federal town and he has a good relationship with those at the local federal official managers, and the elected officials at the local, state and Washington DC level and is highly respected.

This is an area of exceptional excellence for Mark.

Deals effectively with the media

Does a good job.

Mark seems to maintain a sound relationship with all the media folks in the area and handles himself diplomatically in interview situations.

Uses sensitivity, diplomacy, and empathy when dealing with the public

Excellent PR and CR skills.

The empathy part could be a little more down to earth. He is exceedingly diplomatic yet clearly still sensitive to anything that sounds like a challenge to his authority. It's a tough place to dwell.

Sensitivity, diplomacy and empathy, when done correctly, are not highly visible. I am aware, though, of instances that you have demonstrated all three qualities and have not heard otherwise.

Demonstrates openness, receptiveness, and approachability in both formal and informal situations

Always very open and approachable to all that want to talk with him.

There are still the occasions when he could work on his patience in the face of ignorance and defensiveness.

Projects a positive personal and professional image

Mark is an example of professionalism and moving forward with his continuing education goals will only make him more so.

If he gets any more positive we'll need to penalize him for over-optimism.

Your interactions with the public are always positive and professional.

Demonstrates continuous professional development

See previous comments that referenced his professional development.

Your educational pursuits demonstrate your level of commitment to better yourself professionally.

Has complete professional integrity and adheres by the ICMA Code of Ethics

Please don't make me go look up the ICMA Code again.

Works toward gaining and maintaining the respect and support of staff

Mark has made some difficult decisions with respect to staff function and efficiency. The results continue to be positive.

After this amount of time I believe this to be true. It's a tightrope to walk in getting both respect and support from an established staff. A little more warmth now would be allowable. Some folks seem to still be a little unsure of where they stand now.

See page one...suggest anonymous staff surveys be sent out to assess staff perceptions as a first step towards improvement.

Progress toward accomplishing established goals set by the City Manager and the City Council

Within the limited direction that he has received on Council goals, Mark is excellent in following the direction of Council. He often has to assume what the bidding of Council appears to be, and where there is uncertainty from Council, the welfare of the City is clearly his main priority.

Does a good job leading a very diverse council.

This area needs improvement, but we are making progress, would like to see city manager and city council set expectations of what we are going to accomplish at each work session , and set a three goal system in place to work towards getting things done on our never ending list of what needs to be done

It would be unfair to hold the manager accountable for council's failure to establish true goals. This manager has the potential to move council toward being a useful and effective team however and has not pushed enough.

There is a lot going on right now in the city. All good, but council does not always have the full story in a timely manner. That's hard to do, and with the pace of things, it is difficult. But timely information makes for better meetings, and effective decision making.

Disseminates complete and accurate information equally to all members in a timely manner

Mark seems to prefer to treat Council members as a group rather than communicating individually. I am certain that most Council members have one-on-one discussions with the City Manager, but I have no observation that would indicate that any member has any more privileged information than any other member.

Frankly, I still suspect that each of council get only the picture that Mark has figured we will support.

Presents multiple options for council to consider

Although there is usually one best alternative, Mark let's the council decide.

For my own benefit would like to see more detail when given multiple options to choose from to make better informed decisions

Assists by facilitating decision making without overstepping authority

Mark has demonstrated a willingness to reach out to local individuals, who offer unique skills, and use them to help him with his decisions and planning.

Makes suggests, but let's council make decisions.

This question has a lot of variables that need to be factored into it, some on council want the city manager to take the authority, while others would like to see less authority taken by the city manager, it is always going to be a balancing process for the city manager to work through when dealing with these type of issues

A City Manger must always be careful about overstepping.
Mark should be aware that sometimes citizens want to hear somethings from the elected officials.

Appropriately responds to requests, advice, and constructive criticism

My sense is that requests from certain Council members get a priority review over others, but I don't feel that my requests or feedback are overlooked. It would be helpful though, to review what issues Mark is maintaining in his "parking lot" of issues he plans to address.

Mark does well even when he is not treated with respect his position deserves.

Assuming responsibility, referenced under leadership, means both acknowledging the mistake and working to correct it. I've brought to your attention two opportunities to do this: you submitted a commission candidate in in well past the deadline and you allowed the perpetuation of falsehoods in the media (blaming increased water rates on the EPA mandate). Neither time did you accept responsibility.

Mark does know how to listen, and not react. Very good attribute.

Keeps the council informed of administrative developments

Very good on communication to council.

We have hired the city manager to run the business of the day to day operation of the city, so we should allow him to make administrative decision that allows him to do that to the best of his abilities, I think Mark has done a good job and continues to improve the overall staff of the city.

Huh?

You do a great job of proactively informing council and rarely, if ever, allow us to be caught off guard on major issues.

Mark has done a remarkable job the last three years, and has been a change agent to better our town. He has help make some very important cultural changes in the entire enterprise for the better. i'm looking for more in the next few years.

What would you identify as the manager's strength(s) expressed in terms of the principal results achieved during the rating period?

Mark has initiated or resurrected several ideas/projects that are beginning to take shape as a leadership direction for Oak Ridge. He has, with input from Council, appropriately selected economic development and housing as the primary focus areas for the city. I like the results so far and look forward to more.

Willingness to take reasonable risks, after discussing direction with Council, Organization skills exemplified by the restructuring of community economic development and our housing initiatives,

Mark always keeps a positive attitude, has details or staff on hand to provide details to council. Mark manages a variety of highly visible key projects and is great at multi-tasking.

Mark has been on the job now going on three years, his ability to fully understand his role within the Oak Ridge system, this city manager position is somewhat different than others of our size, and it takes some time to find out how it all works together, by understanding the position Mark is making good progress on many different fronts, so for me this is a very significant strength

Mark has done an excellent job of balancing the many different political and business influences pressing in upon him. He manages huge amounts of information and keeps looking at the larger picture. He has persuaded a disparate council to endorse effective ventures and changes of process and to keep trying new things. He has a superb sense of effectiveness and possibility.

I am especially pleased with Mark's willingness to cooperate with the school system and his reaching out to Bruce Borchers toward that end.

You have an excellent grasp of your managerial strengths. A differentiation between activities/tasks and results, however, was only apparent in your economic development strategy change. That may very well be the nature of government. Next year, you should be able to state the result of the efforts listed.

What performance area(s) would you identify as most critical for improvement?

This is not criticism of Mark but a comment on our overall leadership communications system. Council, Staff, the Manager, and the Attorney need to get on the same page relative to our City goals and the resulting communications with the public. Rogue actions within this leadership group diminishes all of our abilities, collectively, to solve problems within the City and to grow the City in a positive direction. Mark works very well within our current network. Suggestions for improvement are needed.

More advanced, detailed information on consent agenda items, might result in less resistance from some council members to allow more success in getting consent agenda items approved as intended so that council meeting time could be spent discussing more critical agenda items.

Continue to change the culture within the city staff, departments from the " I can't or No " to " how can we make that happen" for all the progress he has made in this area some departments still have a long way to go

I would be hugely happy if Mark could just speak his mind openly with council members and challenge us to negotiate among ourselves to create team leadership for the city. I also still wish the police department would be led toward a little more genuine respect for the average citizen. Mr. Akagi still seems a great choice and I am looking for evolution toward identification with the general populace which is the mark of a great police chief.

Objective self-assessment is seriously lacking. In your narrative for this same question, no area was listed for YOUR improvement. Rather, an appeal was made for council to refer city communications to you. Please strive to identify your own weaknesses and failures so that you may progress professionally and so that you can demonstrate an awareness that you possess them.

What constructive suggestions or assistance can you offer the City Manager to enhance performance?

Reestablish budget committee meetings.

Oak Ridge needs an accepted City Plan (a reworked Comprehensive Plan) that describes for everyone what our policies and goals are for future direction for the City. City Boards and Commissions need to be more a part of this network and the Plan could be revised annually as part of a process to develop a more clearly defined common direction.

See above.

When providing city council with options, please have staff prepared to give us details, it is very frustrating to ask questions, or ask for data and staff give that starring eyed look or say we don't have that at this time. I know you or your staff can't prepare for everything we might ask for, but the better prepared they are, does reflect on your ability to manage the city as a whole. Be proactive instead of being reactive, continue to set goals for all departments, staff, council, and committees, and work hard to accomplish them. Narrow the focus of these goals, make them reachable and the city will make positive steps forward.

See previous response.

Develop clear benchmarks for success.

How have you made Oak Ridge more competitive?

How have you contributed to increased residency?

How have you contributed to increased or new revenues?

How have you saved the taxpayers money?

I also agree with your suggestion to better utilize boards and commissions. Clarification and simplification of goals, boundaries and accountability are sorely needed.

What other comments do you have for the City Manager, e.g. priorities, expectations, goals, or objectives for the new rating period?

I would like for Mark to share with Council what he intends to act upon as his priorities, expectations, goals, and objectives for the year.

Keep up the good work.

Continue focus on current course - economic development (mall, Kroger Marketplace, Jackson Square) housing, federal/state agenda etc.

Support council teaming instead of counting your votes.

With regards to your stated goal of developing an acceptable mall agreement, I ask that you seek an agreement that will impose minimal risk and minimal burden on our citizenry who have already suffered enough from past failures regarding this same issue. Asking \$5 or \$10 million of the same people who council (at your request) has already imposed over \$33 million worth of new debt on in less than 2 years is too much.

Please provide recommendations and comments on a possible change in compensation (currently \$136,656.00) and a contract extension beyond the current expiration date of August 8, 2016.

I think Mark has performed exceptionally well this reporting period and would like to recommend that the committee consider a significant increase in compensation.

Mark's compensation should be brought more in-line with other City Managers. Mark is doing an excellent job, we are lucky to have him, and we need to keep him. I recommend a 10% salary adjustment for the many reasons stated, and a plan to bring the compensation for this position up to National standards.

Mark deserves an increase in the range of 5% and a contract extension. A lot of positive things are ongoing under Mark's leadership, and he needs to be compensated for past performance. In addition, we cannot take a risk of losing Mark and the City losing momentum at this point in time.

I would recommend a 10% to 12% increase in salary to bring his compensation within the current market share range, with at least a one year extension to his contract

Mark is stuck with the same compensation change as his staff and I don't care how long his contract is projected. I like him and I want him to stay and continue to grow with us.

I recommend the same salary increase as staff and see no need to extend the current contract as it already allows for 3 years employment and 9 months pay should the contract be terminated. The city manager's suggestion that council consider a position classification review and potential bonus indicates a lack of appreciation for the generosity of this council and this city.

A great leader should never ask more of his staff than he does of himself. Should our economic woes turn around and should we see an increase in revenues as he has projected, then, and only then, should consideration for an increase be made but NOT before he seeks to reward his staff.

The city manager should be given the same percentage raise as the city employess was granted.

City Manager Salary Information
for
Department of Energy "Sister"
Cities

<u>Location</u>	<u>Salary</u>
Paducah, KY	142,209.60
Los Alamos County	169,671.90
Richland, WA	153,421.00

THE UNIVERSITY of TENNESSEE

MUNICIPAL TECHNICAL ADVISORY SERVICE

Municipal Compensation Survey

[Home](#)

Search Criteria: Survey Year = 2012; Position = CITY MANAGER; Population Group = 15,000 - 100,000

To sort data, click on the column headings.

Name ▲	Title	# of Employees	Hrs/Wk	Exempt	Minimum Salary	Actual Salary	Maximum Salary
BRENTWOOD	CITY MANAGER	1	40.0	No		\$150,000.00	
BRISTOL	CITY MANAGER	1	40.0	Yes		\$150,763.60	
CLEVELAND	CITY MANAGER	1	40.0	Yes		\$140,214.00	
COLLIERVILLE	CITY MANAGER	1	40.0	Yes		\$132,339.00	
COLUMBIA	CITY MANAGER	1	40.0	Yes		\$131,165.00	
COOKEVILLE	CITY MANAGER	1	40.0	Yes		\$107,551.00	
FARRAGUT	CITY MANAGER	1	40.0	Yes		\$117,006.50	
FRANKLIN	CITY MANAGER	1	40.0	Yes		\$159,962.00	
GERMANTOWN	CITY MANAGER	1	40.0	Yes		\$159,001.86	
GOODLETTSVILLE	CITY MANAGER	1	40.0	No	\$98,460.00		\$157,537.00
JOHNSON CITY	CITY MANAGER	1	40.0	Yes		\$133,957.41	
KINGSPORT	CITY MANAGER	1	40.0	Yes	\$110,480.00		\$156,890.00
LAVERGNE	CITY MANAGER	1	40.0	Yes	\$75,751.35		\$95,960.98
MARYVILLE	CITY MANAGER	1	40.0	Yes		\$112,211.00	
MOUNT JULIET	CITY MANAGER	1	40.0	Yes		\$0.00	
OAK RIDGE	CITY MANAGER	1	40.0	Yes		\$140,753.00	
SPRING HILL	CITY MANAGER	1	40.0	Yes		\$85,000.00	
SPRINGFIELD	CITY MANAGER	1	40.0	Yes		\$122,220.80	
TULLAHOMA	CITY MANAGER	1	40.0	Yes	\$74,785.38		\$104,700.96

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THE UNIVERSITY of TENNESSEE

MUNICIPAL TECHNICAL ADVISORY SERVICE

Municipal Compensation Survey

[Home](#)

Search Criteria: *Survey Year = 2012; Position = CITY MANAGER; Population Group = Greater Than 100,000*

To sort data, click on the column headings.

<u>Name ▲</u>	<u>Title</u>	<u># of Employees</u>	<u>Hrs/Wk</u>	<u>Exempt</u>	<u>Minimum Salary</u>	<u>Actual Salary</u>	<u>Maximum Salary</u>
MEMPHIS	CITY MANAGER	1	40.0	Yes		\$147,850.30	
MURFREESBORO	CITY MANAGER	1	37.5	Yes	\$113,005.00		\$163,856.00

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THE UNIVERSITY of TENNESSEE

MUNICIPAL TECHNICAL ADVISORY SERVICE

Municipal Compensation Survey

[Home](#)

Search Criteria: Survey Year = 2012; Grand Division = East; Position = CITY MANAGER

To sort data, click on the column headings.

Name ▲	Title	# of Employees	Hrs/Wk	Exempt	Minimum Salary	Actual Salary	Maximum Salary
ALCOA	CITY MANAGER	1	40.0	Yes		\$128,360.42	
ATHENS	CITY MANAGER	1	40.0	Yes		\$105,783.00	
BRISTOL	CITY MANAGER	1	40.0	Yes		\$150,763.60	
CLEVELAND	CITY MANAGER	1	40.0	Yes		\$140,214.00	
CLINTON	CITY MANAGER	1	40.0	Yes	\$80,989.00		\$121,513.00
CROSSVILLE	CITY MANAGER	1	40.0	Yes	\$72,933.00		\$109,400.00
DANDRIDGE	CITY MANAGER	1	40.0	Yes		\$67,734.00	
DAYTON	CITY MANAGER	1	40.0	No		\$91,750.00	
ELIZABETHTON	CITY MANAGER	1	40.0	Yes		\$90,001.60	
FARRAGUT	CITY MANAGER	1	40.0	Yes		\$117,006.50	
GATLINBURG	CITY MANAGER	1	40.0	Yes	\$89,263.00		\$133,895.00
JOHNSON CITY	CITY MANAGER	1	40.0	Yes		\$133,957.41	
KINGSPORT	CITY MANAGER	1	40.0	Yes	\$110,480.00		\$156,890.00
LOUDON	CITY MANAGER	1	40.0	Yes		\$103,371.44	
MARYVILLE	CITY MANAGER	1	40.0	Yes		\$112,211.00	
MAYNARDVILLE	CITY MANAGER	1	40.0	Yes		\$45,000.00	
NORRIS	CITY MANAGER	1	40.0	Yes		\$49,200.00	
OAK RIDGE	CITY MANAGER	1	40.0	Yes		\$140,753.00	
OLIVER SPRINGS	CITY MANAGER	1	40.0	No		\$39,999.96	
PIGEON FORGE	CITY MANAGER	1	40.0	Yes		\$134,473.30	

RED BANK	CITY MANAGER	1	40.0	Yes		\$80,000.00	
SEVIERVILLE	CITY MANAGER	1	40.0	Yes	\$83,408.00		\$136,792.00
SODDY-DAISY	CITY MANAGER	1	40.0	No		\$72,467.00	

For technical questions or issues [email us](mailto:mtas@mtas.tennessee.edu) or call 865-974-0411.

RESOLUTION

A RESOLUTION TO AMEND THE CITY MANAGER'S EMPLOYMENT AGREEMENT (APPROVED BY RESOLUTION 7-73-10 AND AMENDED BY RESOLUTIONS 7-72-11 AND 7-61-2012) TO PROVIDE FOR AN EQUIVALENT TEN PERCENT (10%) SALARY INCREASE.

WHEREAS, Article V, Section 1, of the City Charter provides that City Council shall appoint a chief administrative officer of the City who shall be entitled City Manager and who shall serve at the pleasure of City Council; and

WHEREAS, by Resolution 7-73-10, City Council entered into an employment agreement in which City Council agreed to employ Mark S. Watson as the City Manager; and

WHEREAS, said employment agreement provides that formal evaluations of the City Manager shall be conducted on an annual basis by July 31st of each year, and to this end City Council appointed a City Manager Evaluation Committee (the Committee) to develop an evaluation procedure; and

WHEREAS, the Committee has completed its work and recommends, based on the evaluation results and previous years' performance, that the City Manager receive an equivalent ten percent (10%) salary increase.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

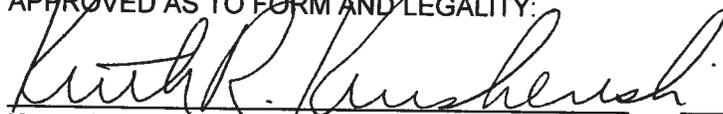
That the attached Amendment No. 3 to the Employment Agreement between the City of Oak Ridge and Mark S. Watson as City Manager is hereby approved.

BE IT FURTHER RESOLVED that said Employment Agreement is amended as follows: Section 7, Salary, Subsection A, to provide for an equivalent ten percent (10%) salary increase for a new annual base salary amount of \$150,321.60, effective August 8, 2013.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute all necessary legal documents to accomplish the same.

This the 11th day of November 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

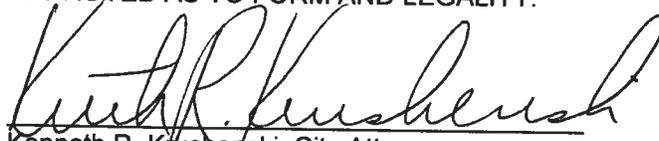
AMENDMENT NO. 3
(Employment Agreement – Mark S. Watson, City Manager)

This Amendment No. 1 entered into this the 11th day of November, 2013, amends the Employment Agreement dated July 15, 2010, as amended, between the City of Oak Ridge, Tennessee, hereinafter referred to as the "City," and Mark S. Watson, hereinafter referred to as the "City Manager."

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 7, Salary, Subsection A, of the Employment Agreement is hereby amended by increasing the City Manager's base salary to \$150,321.60 effective August 8, 2013, which is the equivalent of a ten percent (10%) salary increase.
2. All other terms, conditions and provisions of the Employment Agreement, dated July 15 2010, as amended, not in conflict with this Amendment No. 3 shall remain in full force and effect.

APPROVED AS TO FORM AND LEGALITY:


Kenneth R. Kushenski, City Attorney

CITY OF OAK RIDGE, TENNESSEE

Thomas L. Beehan, Mayor

MARK S. WATSON

Signature

Approved by Resolution _____

CONSENT AGENDA

CITY COUNCIL MEMORANDUM

13-25

DATE: November 4, 2013
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: STATEMENT PRESENTED IN OCTOBER 14, 2013 CITY COUNCIL MEETING MINUTES

As requested by Councilmember Hope, a review of the statement presented by Councilmember Baughn for inclusion in the October 14, 2013 City Council meeting minutes was made. A determination was made that the percentages delivered are not the best representation of the rate increases.

A better representation for the rates would be a range of percentages beginning with first rate increases experienced in May of 2012. The impact on the rate increases would range from 66% to 101% for water and 102% to 135% for wastewater, with the combined utilities impact ranging from 95% to 106% as the level of usage would cause the percent increase to vary.

City Council should consider clarifying the above statement for the minutes at the November 11, 2013 City Council meeting.


Mark S. Watson

**MINUTES OF THE
OAK RIDGE CITY COUNCIL MEETING**

October 14, 2013

The regular meeting of the City Council of the City of Oak Ridge, Tennessee convened at 7:00 p.m. on October 14, 2013, in the Courtroom of the Municipal Building with Mayor Pro Tem D. Jane Miller presiding.

INVOCATION

The Invocation was delivered by the Reverend Dale Crank with the Oak Ridge Alliance Church.

PLEDGE OF ALLEGIANCE

Mr. Kevin Rice led the Pledge of Allegiance to the Flag of the United States of America.

ROLL CALL

Upon roll call the following councilmembers were present: Councilmember Trina Baughn; Councilmember Anne Garcia Garland; Councilmember L. Charles Hensley; Councilmember Charles J. Hope, Jr.; Mayor Pro Tem D. Jane Miller; and Councilmember David N. Mosby.

Mayor Thomas L. Beehan was absent.

Also present were Mark S. Watson, City Manager; Janice E. McGinnis, Finance Director; Kenneth R. Krushenski, City Attorney; and Diana R. Stanley, City Clerk

APPEARANCE OF CITIZENS

(NONE)

PROCLAMATIONS AND PUBLIC RECOGNITIONS

A proclamation designating October 2013 as "National Disability Employment Month."

Councilmember Hensley moved, seconded by Councilmember Hope that the proclamation be adopted. The proclamation was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye."

The proclamation was presented at a later point in the meeting.

A proclamation designating October 11, 2013 as "Day of the Girl."

Councilmember Hope moved, seconded by Councilmember Mosby that the proclamation be adopted. The proclamation was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye."

The proclamation was accepted by Ms. Alanna Hunsaker with Girls Inc.

Presentation of a Tennessee Valley Authority (TVA) certificate to the City of Oak Ridge declaring the City as a platinum level sustainable community.

Ms. Heidi Smith Global Business TVA Economic Development General Manager presented the certificate to the City Manager.

SPECIAL REPORTS

(NONE)

Agenda Amendment

The City Clerk explained that since the agenda's posting on Monday, October 7, 2013, city staff was requesting that two (2) additional resolutions be added to the October 14, 2013 City Council Agenda:

- 1) Add a resolution titled "A resolution approving an amendment to the Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures approved by Resolution 12-112-11" to the *Consent Agenda*.
- 2) Add a resolution titled "A resolution to adopt the City of Oak Ridge, Tennessee 2014 State and Federal Legislative Agenda to inform state and federal officials of key projects, policies, and priorities in the City of Oak Ridge, and to help secure funding for agreed upon priorities of the community" to *Resolutions*.

Councilmember Hensley moved, seconded by Councilmember Hope to amend the agenda as suggested by staff. The motion to amend the agenda was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye."

CONSENT AGENDA

Councilmember Baughn requested to remove "a resolution approving an amendment to the Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures approved by Resolution 12-112-11" from the Consent Agenda.

Councilmember Hope moved, seconded by Councilmember Hensley to approve the remainder of the Consent Agenda as presented. The motion was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye," thereby:

- Approving the September 9, 2013 City Council Meeting minutes.
- Approving the September 17, 2013 City Council Special Meeting minutes.
- Approving the September 23, 2013 City Council Special Meeting minutes.
- Approving the September 23, 2013 City Council Work Session meeting minutes.
- Adopting a Proclamation in recognition of Informational International Association, Inc. (IIA)'s 25th Anniversary.
- Adopting **Resolution No. 10-97-2013** to accept a grant from the State of Tennessee, Department of Transportation, Governor's Highway Safety Office, in the amount of \$25,299.40 to be used for traffic enforcement and safety improvements.
- Adopting **Resolution No. 10-98-2013** awarding a bid in the estimated amount of \$70,185.00 to Wesco Distribution, Inc., Chattanooga, Tennessee, for the furnishing of single-phase pole mounted transformers for use by the Electric Department.

Item Removed from the Consent Agenda

Resolution No. 10-99-2013

Adoption of a resolution approving an amendment to the Industrial Development Board of the City of Oak Ridge, Tennessee Tax Increment Financing Program Policies and Procedures approved by Resolution 12-112-11.

Councilmember Hensley moved, seconded by Councilmember Hope that the resolution be adopted.

The City Manager and the City Attorney noted that due to recent changes to state statute the Industrial Development Board's (IDB) Policies and Procedures required a necessary update, particularly with TIF (tax increment financing) proceeds now being allowed for private infrastructure and improvements. Additionally, it was explained that the IDB was restructuring their fees and approval process for the economic impact plan applications.

Mr. Ray Evans, City Consultant, clarified that the approval of the economic impact plan without appointing an Application Review Committee, as inquired by Councilmember Mosby, was merely a means of a single step process given that the IDB could act as a committee as a whole.

Following an in-depth discussion regarding Section 3.9 "Approval of the Board," the City Attorney offered a solution to clarify the section to read "Notwithstanding anything to the contrary herein, the Board may elect to consider a proposed economic impact plan without appointing an Application Review Committee."

Mr. David Wilson, 1079 West Outer Drive, Chairman of the IDB, responded to various inquiries of the City Council and specifically noted that the intent was to bring the TIF Policy in compliance with the State of Tennessee and that the language in 3.9 was to allow for flexibility when projects needed be completed expeditiously. Additionally, Mr. Wilson explained that the reason for the fee reduction was to be accommodating to applicants.

Councilmember Mosby moved, seconded by Councilmember Hensley to amend 3.9 as recommended by the City Attorney above. The motion to amend the TIF Policies and Procedures was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye."

The resolution, as amended, was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye."

(The presentation of the National Disability Month proclamation was given at this time.)

RESOLUTIONS

Resolution No. 10-100-2013

A RESOLUTION AWARDING A CONTRACT (FY2014-35) TO MORGAN CONTRACTING, INC., BAKER, FLORIDA, FOR THE REHABILITATION OF PORTIONS OF THE WASTEWATER COLLECTION AND TRANSPORTATION SYSTEM AS REQUIRED FOR COMPLIANCE WITH THE U.S. ENVIRONMENTAL PROTECTION AGENCY ADMINISTRATIVE ORDER, SAID CONTRACT IN THE ESTIMATED AMOUNT OF \$4,205,603.00.

Councilmember Hope moved, seconded by Councilmember Garcia Garland that the resolution be adopted.

Following brief introduction by the City Manager, the resolution was approved by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye," and Councilmember Baughn voting "Nay."

Resolution No. 10-101-2013

A RESOLUTION TO APPROVE AN AGREEMENT WITH STEVE JONES FOR ECONOMIC DEVELOPMENT SERVICES FOR THE REMAINDER OF FISCAL YEAR 2014 IN THE AMOUNT OF \$28,000.00.

Councilmember Hope moved, seconded by Councilmember Garcia Garland that the resolution be adopted.

Following a brief discussion with the City Manager and City Council regarding other contract variables, the resolution was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye."

Resolution No. 10-102-2013

A RESOLUTION TO ADOPT THE CITY OF OAK RIDGE, TENNESSEE 2014 STATE AND FEDERAL LEGISLATIVE AGENDA TO INFORM STATE AND FEDERAL OFFICIALS OF KEY PROJECTS, POLICIES, AND PRIORITIES IN THE CITY OF OAK RIDGE, AND TO HELP SECURE FUNDING FOR AGREED UPON PRIORITIES OF THE COMMUNITY.

The City Manager provided an overview of the legislative agenda, specifically detailing the Homeowners Bill of Rights as listed under the state agenda, and responded to inquiries of City Council.

Ms. Ellen Smith, 116 Morningside Drive, suggested that the agenda include a provision for improved equity to PILT programs that host nuclear facilities, and encouraged that City Council to pursue control over the Department of Energy (DOE) land fill property.

Mr. Kenneth Beyer, 92 Royal True Circle, member of the River's Run Homeowners Association explained the subdivision's history and status, and expressed his support for the City's proposal to include the Homeowner's Bill of Rights on the legislative agenda.

Following additional discussions of City Council regarding the legislative agenda, the resolution was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye."

PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

(NONE)

FINAL ADOPTION OF ORDINANCES

Ordinance No. 10-2013

AN ORDINANCE TO AMEND ORDINANCE NO. 27-85, TITLED "A PERSONNEL PLAN FOR EMPLOYEES OF THE CITY OF OAK RIDGE, TENNESSEE," AS AMENDED, BY DELETING SECTION 5.1, TITLED "COMPENSATION PHILOSOPHY AND POLICY," AND SUBSTITUTING THEREFOR A NEW SECTION 5.1 TITLED "COMPENSATION PHILOSOPHY AND POLICY"; BY ADDING A NEW SECTION 6.11, TITLED "BONUSES"; BY DELETING SUBSECTION B OF SECTION 7.3, TITLED "APPOINTMENTS," AND SUBSTITUTING THEREFOR A NEW SUBSECTION B; AND DELETING ARTICLE 10, TITLED "GRIEVANCE PROCEDURE," IN ITS ENTIRETY AND SUBSTITUTING THEREFOR A NEW ARTICLE 10, TITLED "GRIEVANCE PROCEDURE," ALL FOR THE PURPOSE OF UPDATING THE PERSONNEL PLAN.

Councilmember Baughn moved, seconded by Councilmember Hope that the ordinance be adopted.

Following brief introduction by the City Manager, the ordinance was adopted on second reading by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor

Pro Tem Miller voting "Aye."

Ordinance No. 11-2013

AN ORDINANCE TO AMEND ORDINANCE NO. 19-82, AS AMENDED, BY DELETING THE PROVISION OF SECTION 2 PERTAINING TO THE SCHEDULE OF WATER RATES FOR COMMODITY CHARGES AND MINIMUM MONTHLY BILLING IN ITS ENTIRETY, AND SUBSTITUTING THEREFOR A NEW SCHEDULE OF WATER RATES.

Councilmember Hope moved, seconded by Councilmember Hensley that the ordinance be adopted.

Councilmember Baughn requested that the following statement be included in the minutes for the record and attributed solely to her:

This increase in water rates is completely unrelated to the EPA Administrative Order.

With the approval of both water and sewer ordinances, rates will have increased, on average, 62% over a 34 month period. Additional increases are still to come. By 2019 residential water rates will have increased, on average, by 87% and sewer rates by 110%. Council refuses to pursue alternatives that could alleviate the burden off of our ratepayers.

Councilmember Hope requested that the numbers presented in Councilmember Baughn's statement be verified if it were to be included in the minutes. Councilmember Hensley requested that the statement presented by Councilmember Baughn be clarified that it is of her opinion.

Following brief discussions on the increased water rates, the ordinance was adopted on second reading by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye," and Councilmember Baughn voting "Nay."

Ordinance No. 12-2013

AN ORDINANCE TO AMEND ORDINANCE NO. 21-82, AS AMENDED, BY DELETING THE PROVISION OF SECTION 13 PERTAINING TO THE SCHEDULE OF WASTEWATER RATES IN ITS ENTIRETY, AND SUBSTITUTING THEREFOR A NEW SCHEDULE OF WASTEWATER RATES.

Councilmember Henley moved, seconded by Councilmember Hope that the ordinance be adopted.

The City Manager noted a correction that needed to occur in Section 13, Item 3, last sentence regarding the charge of 8,000,000 gallons that should be corrected to read \$9.80 as opposed to the listed \$8.91. Finance Director Janice McGinnis explained that the error was typographical in nature.

Councilmember Hensley moved, seconded by Councilmember Hope to amend the ordinance with the aforementioned correction as presented by staff. The motion to amend the ordinance was approved by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye," and Councilmember Baughn abstaining.

The ordinance, as amended, was approved by board vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye," and Councilmember Baughn voting "Nay."

ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Elections/Appointments

Election of one (1) applicant to the Oak Ridge Heritage Railroad Authority for a three (3) year term of office commencing on October 10, 2013.

Councilmember Garcia Garland moved, seconded by Councilmember Hensley to elect Mr. Gordon Fee to the Oak Ridge Heritage Railroad Authority by acclamation for a three (3) year term of office commencing on October 10, 2013.

The motion was approved by unanimous voice vote with Councilmembers Baughn, Garcia Garland, Hensley, Hope, Mosby, and Mayor Pro Tem Miller voting "Aye."

Presentation of the 2013 Election Notice for the end-of-year vacancies and expiring terms.

The 2013 Election Notice was presented to City Council for informational and discussion purposes. City Council and City Staff discussed potential future topics that included terms, attendance policies, the future of the Highland View Redevelopment Board, and membership limits related to city boards.

Announcements

Scheduling

COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

Councilmember Garcia Garland requested discussions on the Highland View Redevelopment Board and the Land Bank Board of Directors be the primary focus for the October Work Session.

Councilmember Hensley remarked that he had attended the TDOT Summit in Knoxville and noted his conversations that he had at this meeting regarding SR-95 project, the Summit Interchange, and the future of TDOT projects in 2014.

Councilmember Mosby requested information from the City Manager on activates pending or not-started by the City Manager. Additional, Councilmember Mosby wished to consider cataloging actions, both failed and approve, for lesson observation purposes of the Council.

Councilmember Baughn requested information/discussions with City Council regarding three (3) avenues related to the school debt issue: First, Councilmember Baughn requested that City Council receive regular updates on the maintenance of efforts of the schools. Secondly, she discussed possible amendments to the Oak Ridge City Charter language as it pertains to the Oak Ridge School's Budget, so that potential amendments to the Charter to be presented during the 2014 election. Lastly, Councilmember Baughn requested information regarding mediation versus legal, civil action to resolve the school debt issue.

Related to the civil action information requested, Councilmember Hensley requested consideration of binding arbitration related to the school debt issue.

Councilmember Hope requested that the staff consult with the Election Commission to clarify deadlines for amendment to the 2014 election and stressed resolving the school debt issue between City Council and the Board of Education.

SUMMARY OF CURRENT EVENTS

CITY MANAGER'S REPORT

The City Manager announced that a new General Manager, Barrett Tanner, was working at the Centennial Golf Course.

CITY ATTORNEY'S REPORT

The City Attorney indicated that he would be publishing the tax delinquent property sales to City Council in the near future.

ADJOURNMENT

The meeting adjourned at 9:25 p.m.

Diana R. Stanley, City Clerk
CITY OF OAK RIDGE, TENNESSEE

**OAK RIDGE CITY COUNCIL
WORK SESSION MINUTES**

October 28, 2013

The work session of the Oak Ridge City Council convened at 7:00 p.m. on October 28, 2013 in the Multipurpose Room of the Central Services Complex.

Present: Trina Baughn, Councilmember
Tom Beehan, Mayor
Anne Garcia Garland, Councilmember
Charlie Hensley, Councilmember
Chuck Hope, Councilmember
Jane Miller, Mayor Pro Tem
David Mosby, Councilmember

Also Present: Mark S. Watson, City Manager
Ken Krushenski, City Attorney
Diana Stanley, City Clerk

GENERAL DISCUSSION AND STRATEGIC DISCUSSION ON GOALS OF LAND BANK AS APPROVED BY THE CITY COUNCIL.

City Council, the City Manager, and Community Development Director Kathryn Baldwin had in-depth discussions regarding strategies and goals of the land bank.

During the discussions, several topics were presented by the City Council that included the following:

- Home ownership
- Interim quarterly/bi-monthly updates or reports to City Council
- Return properties to the City's tax roll
- Focus on affordable housing
- Stabilizing property values and deteriorating neighborhoods
- Development of procedures and processes as approved by City Council
- Creation of criteria and clarification for acquisition of blighted houses
- Utilize the Land Banks 501(c)3 advantages for property acquirement
- Prohibit duplication efforts of existing city policies/efforts/organizations
- Create an independent "name" for the organization
- Develop a flow chart process for engagement of properties
- Consider a board position with flowchart design experience

GENERAL DISCUSSIONS OF THE POLICIES AND PROCEDURES OF CITY BOARDS AND COMMISSIONS, INCLUDING BUT NOT LIMITED TO THE HIGHLAND VIEW REDEVELOPMENT BOARD, ATTENDANCE REVIEW, AND BYLAW STRUCTURES.

Brief discussions were held regarding the dissolution of the Highland View Redevelopment Board given the creation of the Oak Ridge Land Bank and consider action at a future City Council meeting.

The City Clerk briefly reviewed the City's current attendance policy noting that improvements could be made to the policy to streamline the process in 2014.

The meeting adjourned at 8:55 p.m.

Diana R. Stanley, City Clerk
CITY OF OAK RIDGE, TENNESSEE

PUBLIC WORKS MEMORANDUM
13-30

DATE: October 24, 2013
TO: Mark S. Watson, City Manager
FROM: Steven R. Byrd, P.E., City Engineer
THROUGH: Gary M. Cinder, P.E., Director of Public Works *GMC*
SUBJECT: PROPOSED OAK RIDGE PEDESTRIAN IMPROVEMENT PROJECT

Introduction

An item for City Council's consideration is a resolution authorizing a contract between the City of Oak Ridge and Ronald Franks Construction Company, LLC of Savannah, Tennessee for the construction of traffic and pedestrian crosswalk safety improvements at eight Oak Ridge Turnpike intersections and three residential intersections in the amount of \$364,655.07.

Funding

City Council Resolution No. 08-80-2013 authorized the use of Special Programs Fund for pedestrian safety improvements for this project in the amount of \$370,000. Adequate funds are available from the Special Programs Fund.

Background

City staff retained the engineering firm of Cannon & Cannon, Inc. of Knoxville for engineering design services based on the firm's past experience with the City on pedestrian safety improvements within the City. Prior to finalizing construction plans, the Traffic Safety Advisory Board provided input on the project.

The project includes safety improvements at the Oak Ridge Turnpike intersections with Tulane Avenue, Rutgers Avenue, Lafayette Drive/New York Avenue, East Division Road/Tennyson Road, Tyndale Road/Bus Terminal Road, Tyler Road/Administration Road, Georgia Avenue/Laboratory Road and Florida Avenue/Fairbanks Road. Residential intersections for safety improvements are located at Florida Avenue/Olney Lane/Outer Drive, Michigan Avenue/Kentucky Avenue, and Vermont Avenue/Pennsylvania Avenue. These locations are identified in the Oak Ridge Bicycle and Pedestrian Plan as spot locations where safety improvements are needed. The majority of improvements in the project include new and/or upgraded traffic/pedestrian signals, pavement markings, signs, sidewalks and handicap ramps. Construction plans are available for review in the Public Works Engineering Office.

Four bids were received at the October 10, 2013 bid opening with Ronald Franks Construction Company, LLC being the low bidder in the amount of \$364,655.07. The City and Cannon & Cannon reviewed the low bid and found it to be an acceptable bid and within the City Council approved Special Programs Fund amount of \$370,000. Construction work is expected to begin in December 2013 and be completed by May 2014.

Recommendation

Staff recommends approval of the accompanying resolution.



Steven R. Byrd

City Manager's Comments:

I have reviewed the above issue and recommend council action as outlined in this document.



Mark S. Watson

11/1/13

Date

CITY OF OAK RIDGE, TENNESSEE
Abstract of Bids

FY2014-66

OPENING DATE: October 10, 2013 2:00 P.M.

FOR --- Oak Ridge Pedestrian Improvements Project

DESCRIPTION	BIDDER: Ronald Franks Construction Co., LLC 80 Industrial Road Savannah, TN 38372		BIDDER: Design & Construction Services, Inc. 515 Harry Street Knoxville, TN 37919		BIDDER: Rogers Group, Inc. 250 Union Valley Road Oak Ridge, TN 37830		BIDDER: Stansell Electric Company, Inc. 860 Visco Drive Nashville, TN 37210	
	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
FURNISH ALL LABOR, MATERIALS, TOOLS, AND EQUIPMENT NECESSARY TO PERFORM ALL WORK AND SERVICES FOR OAK RIDGE PEDESTRIAN IMPROVEMENTS PROJECT PER THE SPECIFICATIONS PROVIDED BY THE CITY OF OAK RIDGE PUBLIC WORKS DEPARTMENT	\$	364,655.07	\$	386,482.40	\$	394,591.28	\$	414,346.00
TOTAL PRICE	\$	364,655.07	\$	386,482.40	\$	394,591.28	\$	414,346.00
TERMS		NET 30		NET 30		NET 30		NET 30
DELIVERY		PER CONTRACT		PER CONTRACT		PER CONTRACT		PER CONTRACT
F.O.B.		JOBSITE		JOBSITE		JOBSITE		JOBSITE
VIA		CONTRACTOR		CONTRACTOR		CONTRACTOR		CONTRACTOR
OTHER BIDDERS CONTACTED: Progression Electric - Knoxville, TN Cozy Excavation and Contracting - Clinton, TN Duracap Asphalt Paving Co., Inc. - Knoxville, TN BB Contracting Company, LLC - Knoxville, TN The EC Corporation - Knoxville, TN								
REASON FOR AWARD:	BIDS OPENED AND RECORDED BY---							
ONLY BID RECEIVED	Lynn Majeski Accounting Division Manager							
LOW PRICE	BIDS REVIEWED BY---							
BETTER OR REQUIRED DESIGN	Janice McClinnis Finance Director							
EARLY DELIVERY								
LOWEST TOTAL COST	X							
RECOMMEND AWARD BE MADE TO:	Ronald Franks Construction Co., LLC 80 Industrial Road Savannah, TN 38372							

RESOLUTION

A RESOLUTION AWARDING A CONTRACT (FY2014-66) TO RONALD FRANKS CONSTRUCTION CO., LLC, SAVANNAH, TENNESSEE, FOR THE CONSTRUCTION OF PEDESTRIAN SAFETY IMPROVEMENTS IN THE ESTIMATED AMOUNT OF \$364,655.07.

WHEREAS, the City issued an invitation to bid for a pedestrian safety improvement project; and

WHEREAS, by Resolution 8-80-2013, City Council authorized expenditures from the Special Programs Fund for pedestrian safety improvements in the amount of \$370,000.00; and

WHEREAS, bids were received and publicly opened on October 10, 2013 with Ronald Franks Construction Co., LLC, Savannah, Tennessee, submitting the lowest and best bid, which bid the City Manager recommends be accepted.

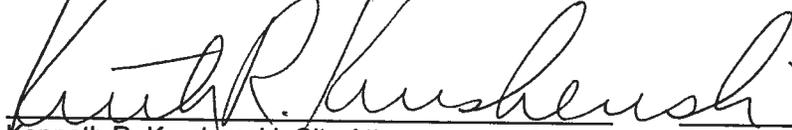
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and award is hereby made to Ronald Franks Construction Co., LLC, 80 Industrial Road, Savannah, Tennessee 38372, for the furnishing of all labor, tools, materials, equipment and supplies necessary for the pedestrian safety improvement project; said award in strict accordance with FY2014-66, the required specifications, and the bid as publicly opened on October 10, 2013, and in the estimated amount of \$364,655.07.

BE IT FURTHER RESOLVED that the Mayor and/or City Manager are hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 11th day of November 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

ELECTRIC DEPARTMENT MEMORANDUM

13-23

DATE: August 30, 2013
TO: Mark S. Watson, City Manager
FROM: Jack L. Suggs, Electric Director
SUBJECT: PURCHASE OF VSA 16 RECLOSERS

Introduction

An item for City Council's consideration is a resolution approving the purchase of six VSA-16 reclosers for use in electrical substations from HD Power Solutions, Knoxville, Tennessee in the estimated amount of \$104,782.26.

Funding

Funding for this purchase was listed in the 2014 budget and is through the Electric Fund.

Consideration

In electrical substations, "reclosers" are the devices which open to interrupt fault currents. In concept, they are similar to the circuit breakers in one's home or business as they open automatically interrupting a high current, thus limiting damage to equipment and providing a limited level of protection to the public. In substations, however, the units can and do open and "re-close" depending on a number of programmed or input parameters.

In the City's nine substations, there are 40 reclosers. Of these, 34 have been replaced over the years with a new style recloser termed a VSA. The remaining six are much older units called VSMLs. The VSMLs in service have met or surpassed their intended life, which is limited not only by age, but also by the number of times the fault interrupting devices can safely operate.

Three of the VSML units were manufactured in 1975 and are thirty-eight years old. The other three are twenty-seven, twenty-eight, and thirty-four years old. At this age, the electrical and electronic components become suspect and the ability of the internal parts to correctly perform their task is questionable. Refurbishing the units is not practical as the VSML design is now considered obsolete. Parts are becoming both difficult to locate and expensive, so that it is no longer feasible to replace the components in the unit.

The purpose of this item is to replace the VSMLs with the replacement VSA style recloser.

For many years, staff has standardized on Cooper products for this type of application. Standardization not only decreases our parts and spare inventory, it also means that we can use a single type of control for the units, which then simplifies our engineering and training requirements. In the end, this saves the ratepayer a great deal of money.

Reclosers are termed "agency items" and the vendors who bid on them are required to use a price supplied by the manufacturer. Three bidders submitted bids for the public bid opening held on August 28. One of the bidders was found to be non-compliant with the bidding requirements and was disqualified from the process. The winner was selected by drawing lots from the remaining two bidders.

Recommendation

Staff recommends approval of the attached resolution.

Attachment(s)

Bid abstract.



Jack L. Suggs

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson



Date

RESOLUTION

A RESOLUTION AWARDING A BID IN THE ESTIMATED AMOUNT OF \$104,782.26 TO HD POWER SOLUTIONS, KNOXVILLE, TENNESSEE, FOR THE FURNISHING OF SIX (6) VSA-16 RECLOSERS.

WHEREAS, the City of Oak Ridge has issued invitations to bid for the purchase of reclosers for use in electrical substations; and

WHEREAS, bids were received and publicly opened on August 28, 2013, with HD Power Solutions, Knoxville, Tennessee, winning a tie bid by drawing lots in public, which bid the City Manager recommends be accepted.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and award is hereby made to HD Power Solutions, 4100 Central Avenue Pike, Knoxville, Tennessee 37912, for the furnishing of six (6) VSA-16 reclosers; said award in strict accordance with the required specifications and the bid as submitted and publicly opened on August 28, 2013, and in the estimated amount of \$104,782.26.

This the 11th day of November 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

RESOLUTIONS

OAK RIDGE POLICE DEPARTMENT MEMORANDUM

13-05

DATE: October 18, 2013
TO: Mark S. Watson, City Manager
FROM: James T. Akagi, Chief of Police
SUBJECT: FLEET PURCHASES

Introduction

An item for the agenda is a resolution authorizing the purchase and equipping of eight (8) Dodge Charger patrol vehicles over the next three quarters of FY 2014 for the Police Department in an amount not to exceed \$402,304.00.

Background/Analysis

In November 2012, City Council approved Resolution No. 11-92-2012 to purchase and equip eight (8) patrol vehicles for the purpose of extending the lifecycle of the ORPD fleet and expansion of the Take Home Vehicle Program (THVP). As a result, the ORPD fleet currently consists of 50 vehicles, further outlined as follows:

- 32 marked vehicles; 25 assigned to individual officers (17 of which are under the THVP), and 7 pool (shared) vehicles
- 11 unmarked vehicles – 5 assigned to individual officers (all under the THVP) and six pool vehicles
- Three (3) Animal Control pool vehicles
- Six (6) other special purpose pool vehicles

The Take Home Vehicle Program (THVP) was instituted in September 2011, and dictates individual assignment of vehicles to officers living within the city limits, which is a key incentive for recruiting officers to reside in Oak Ridge. The THVP significantly increases visibility of marked units in the City by creating an enhanced police presence in neighborhoods where officers reside. THVP officers are immediately available to go in service from their residences, enhancing emergency response capabilities, and improving productivity. THVP officers' pride and ownership in their assigned vehicles has also been observed during vehicle inspections by supervisors, as these officers are taking exceptional care of their vehicles, which increases the length of service due to lower mileage and maintenance costs.

The Police Department is the sole city department tasked with immediate response from deployed resources 24-hours per day, 365 days per year. This is accomplished through a minimum of six (6) patrol vehicles in constant use every day, which in turn necessitates the replacement of vehicles at a higher rate than other departments. To maintain a safe and efficient fleet, ORPD's vehicle lifecycle management plan recommends replacement of vehicles with more than 100,000 miles. To extend the lifecycle of each vehicle and reduce vehicle maintenance and repair costs, the fleet should be gradually expanded to allow for further participation of officers in the THVP. Transition to an assigned vehicle patrol fleet necessitates the procurement of eight (8) vehicles this fiscal year. Cost estimates for the Dodge Charger patrol vehicle, to include equipping vehicles with essential apparatus are further detailed are as follows:

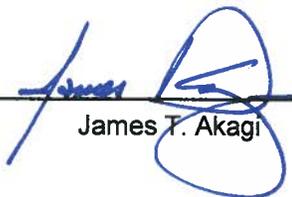
- Dodge Charger Patrol Vehicle: \$24,699 – \$24,899
- Radios/Computers/Dash Camera Video Systems/Emergency Equipment (Lights/Siren/PA System): \$25,389
- Total Cost: \$50,088 – 50,288 per vehicle

- Unmarked Vehicles – Equipment for unmarked vehicles costs around \$10,000 less than patrol vehicles, as not as much equipment is needed

[Note: Dodge Chargers were selected due to their production for police equipment package, fuel economy, and performance in nationwide trial tests by other law enforcement agencies, as well as a comparison between them and Ford Police Interceptors by the Oak Ridge Police Department in 2012-2013.]

Recommendation

Adoption of the attached resolution is recommended to provide for the purchase and equipping of eight patrol vehicles for an amount not to exceed \$402,304.00 utilizing the state contract pricing system or the City's competitive bid process, whichever is more cost effective. Purchase of the vehicles comes from the City's "Equipment Replacement Fund," to which the Police Department's current amount available is sufficient for the proposed vehicular/equipment replacement purchase costs.



James T. Akagi

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson

11-1-13

Date

RESOLUTION

A RESOLUTION AUTHORIZING THE EXPENDITURE OF UP TO \$402,304.00 FROM THE EQUIPMENT REPLACEMENT FUND FOR THE PURCHASE AND EQUIPPING OF EIGHT (8) PATROL VEHICLES FOR THE POLICE DEPARTMENT FOR FISCAL YEAR 2014.

WHEREAS, the Police Department instituted a Take Home Vehicle Program (THVP) in September 2011 for officers living in the City Limits as a means to provide magnified police presence in residential neighborhoods and to reduce vehicle maintenance costs; and

WHEREAS, the Police Department desires to expand the THVP by eight (8) additional patrol vehicles; and

WHEREAS, the Police Department selected Dodge Charges to purchase and equip the vehicles for use in patrol due to their production for police equipment package, fuel economy, and performance in nationwide trial tests by other law enforcement agencies; and

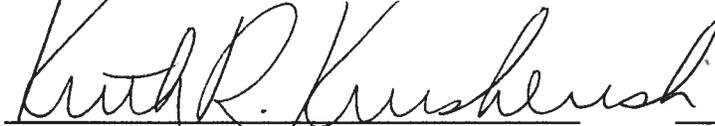
WHEREAS, in order to expedite the process, the City Manager requests approval to spend up to \$402,304.00 from the Equipment Replacement Fund for the purchase and equipping of eight (8) patrol vehicles, without further Council action, with the understanding that the City's competitive bid process or a state contract will be used.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the City is hereby authorized to spend up to \$402,304.00 in funds from the Equipment Replacement Fund for the purchase and equipping of eight (8) patrol vehicles for the Police Department utilizing the City's competitive bid process or the state contract process.

This the 11th day of November 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

CITY COUNCIL MEMORANDUM
13-21

LEGAL DEPARTMENT MEMORANDUM
13-44

DATE: October 29, 2013
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
Kenneth R. Krushenski, City Attorney
SUBJECT: 2013 PAYMENT IN LIEU OF TAX (PILOT) REAUTHORIZATION

Introduction

An item for the agenda is a resolution approving the reauthorization of the 2013 Payment in Lieu of Tax (PILOT) Program economic incentives for use by the Industrial Development Board of the City of Oak Ridge (IDB) as a guideline for tax abatements and payments in lieu of taxes for qualifying projects.

Funding

Funding is not required for this program.

Analysis and Background

The IDB utilized their Special Projects Committee chaired by David Mason and comprised of members Lou Dunlap and Buzz Patrick to review the existing PILOT Program. The committee was assisted by City staff member Susan Fallon. The committee met on two occasions and recommended no new changes to the PILOT Program. The committee's recommendation was reviewed and unanimously approved by the IDB at the October 24, 2013 meeting.

One item was updated in the 2013 PILOT Program to reflect a modification approved by the IDB for the 2010 PILOT Program, which is under Section VI, Fees, Item 1, and allows the application fee to be refundable at the discretion of the IDB.

The 2013 PILOT Reauthorization represents the fourth incentive model utilized by Oak Ridge for the provision of tax abatements. Below is a listing of the previous authorizations by City Council.

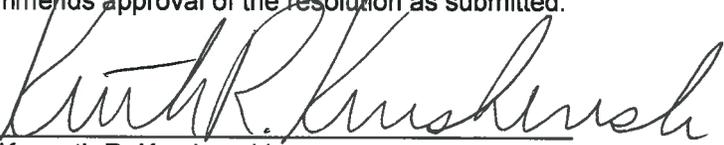
PILOT	City Council Resolution
2004 – Anderson County Portion	6-81-04
2004 – Roane County Portion	9-119-04
2007 – Citywide	12-114-07
2010 – Citywide	10-99-10

Recommendation

Upon City Council approval of the attached resolution, the 2013 PILOT Reauthorization will be effective January 1, 2014 through December 31, 2016. Staff recommends approval of the resolution as submitted.



Mark S. Watson



Kenneth R. Krushenski

Attachments: Resolution
2013 PILOT Reauthorization

RESOLUTION

A RESOLUTION APPROVING THE 2013 PILOT REAUTHORIZATION DOCUMENTS FOR USE BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE (IDB) AS A GUIDELINE FOR TAX ABATEMENTS AND PAYMENTS IN LIEU OF TAXES FOR QUALIFYING ENTITIES IN OAK RIDGE FOR THE PERIOD OF JANUARY 1, 2014 THROUGH DECEMBER 31, 2016.

WHEREAS, in an effort to generate economic growth within Oak Ridge, the City developed economic incentives for use by the Industrial Development Board of the City of Oak Ridge (IDB) as a guideline for tax abatements for qualifying entities; and

WHEREAS, by Resolution 10-99-10, City Council approved the 2010 PILOT (Payment in Lieu of Tax) Reauthorization documents for use by the IDB as a guideline for tax abatements and payments in lieu of taxes for qualifying entities in Oak Ridge; and

WHEREAS, the incentive model is set to expire on December 31, 2013; and

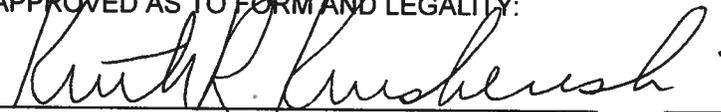
WHEREAS, on October 24, 2013, the IDB unanimously approved 2013 PILOT Reauthorization documents to allow for the continued use of economic incentives, which documents the City Manager recommends be approved as a guideline for the IDB.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the attached 2013 PILOT Reauthorization documents are hereby approved for use by the Industrial Development Board of the City of Oak Ridge (IDB) as a guideline for tax abatements and payments in lieu of taxes for qualifying entities in Oak Ridge for the period of January 1, 2014 through December 31, 2016.

This the 11th day of November 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

**Industrial Development Board
of the
City of Oak Ridge**

2013 PILOT Reauthorization

**for the period of
January 1, 2014 through December 31, 2016**

**CITY OF OAK RIDGE, TENNESSEE
PROPERTY TAX INCENTIVE PROGRAM
POLICIES AND PROCEDURES**

Section I. General Purpose and Objectives*

The City of Oak Ridge, Tennessee (the "City") and Roane County, Tennessee (the "County" and together with the City, the "Local Governments") are committed to improving their local business environment and economy. In furtherance of this objective, the Local Governments have established, in cooperation with The Industrial Development Board of the City of Oak Ridge, Tennessee (the "Oak Ridge Board") and The Industrial Development Board of Roane County, Tennessee (the "Roane County Board," and together with the Oak Ridge Board, the "Boards"), a program to provide economic incentives to qualifying entities based on payments in lieu of taxes ("PILOT"). This program is intended to attract and retain, on a basis competitive with other local governments, businesses that provide the types of employment, capital investment, community involvement and financial impact sought by the Local Governments for their citizens.

The Local Governments have adopted these Policies and Procedures to guide the Boards in considering and evaluating on a case-by-case basis whether particular projects in the Local Governments will be eligible for a PILOT incentive. These Policies and Procedures should not be construed to require the Local Governments or the Boards to approve a PILOT incentive for any Person. Granting a PILOT incentive is solely within the discretion of the Boards acting within the parameters of these Policies and Procedures. In order, however, to inform potential applicants for PILOT incentives of the specific criteria that the Boards will consider in evaluating applications for PILOT incentives, the Local Governments and the Boards have adopted these Policies and Procedures to provide guidelines for evaluating requests for PILOT incentives.

The Boards administer the PILOT for the Local Governments. Each Board is a public nonprofit corporation that was established pursuant to the Tennessee Industrial Development Corporation Act ("Act"), Tenn. Code Ann. §§7-53-101 et seq. The Boards' statutory purposes include financing, owning and leasing certain real and personal properties, which will have the effect of maintaining and increasing employment and otherwise promoting new industry, commerce and trade in Tennessee and in particular, the Local Governments. The Boards will conduct their activities consistent with the provisions of the Act and the intent of the Local Governments as set forth in these Policies and Procedures.

Originally, these Policies and Procedures were intended to apply only to Projects that are within the County. Since the City of Oak Ridge is located in two counties, Roane and Anderson, the City utilizes these Policies and Procedures for all Projects presented to the Oak Ridge Board. These Policies and Procedures will be applied by the County and the Roane County Board to Projects that are located within the County but outside the boundaries of the City, except all references to the City in these Policies and Procedures will not be applicable in those cases. For example, in applying the Evaluation Matrix described herein to a Project that is in the County but outside the boundaries of the City, all references to residency requirements in the City will not be applicable. Moreover, the County reserves the right to modify these Policies and Procedures as to Projects outside the boundaries of the City.

Any Applicant for a PILOT shall only be required to submit an Application to one of the Boards, and only one of the Boards shall be required to consider and/or approve an Application. Any

* Capitalized terms used in these Policies and Procedures that are not otherwise defined shall have the meanings given to such terms in Section III.

reference in these Policies and Procedures to a "Board" shall be deemed to refer to the Board to which an Application has been submitted. Only one Board shall consider an Application at one time, and if one Board takes action on an Application, the other board shall not consider an Application for the same or substantially similar Project for a period of one year. An Applicant should submit its Application to the Board that is affiliated with the Chamber of Commerce or Economic Development Organization with which the Applicant has had the primary contact in connection with its Project.

In evaluating Applications to participate in the Local Governments' PILOT program, each Board will apply the following general guidelines:

1. **Public Interest/Increased Employment.** In accordance with the objectives of the Act, the Board must find that each proposed Project will be in the public interest and will increase employment within the Local Governments.
2. **Eligible Projects.** The Board will only approve PILOT incentives for the following Project types:
 - a. Commercial and retail businesses that the Board determines will materially increase sales taxes for the Local Governments.
 - b. Distribution facilities that receive and distribute goods.
 - c. Office buildings and service facilities. New speculative office buildings are not eligible.
 - d. Industrial facilities that manufacture, assemble, process or fabricate other products.

If a proposed Project would otherwise not be eligible for a PILOT incentive because it does not meet these guidelines but the Board determines that, based upon unique factors in the particular case, a PILOT incentive would be appropriate for the Project, the Board shall not approve such PILOT incentive without obtaining the prior approval of the Local Governments.

3. **Evaluation Matrices.** Provided a Project satisfies the first two guidelines stipulated above, the Board shall determine the term, if any, of the PILOT incentive by applying the Evaluation Matrices attached hereto as Appendix A and Appendix B. The implementation of the Evaluation Matrices is described in more detail in Section IV. The term of any PILOT incentive shall be the same with respect to payments to both the City and County.

If a proposed Project would be eligible for a certain PILOT Term under the Evaluation Matrix but the Board determines that, based upon unique factors in the particular case, a longer PILOT Term would be appropriate for such Project, the Board shall not approve a longer PILOT Term without obtaining the prior approval of the Local Governments.

Section II. Conflicts of Interest

Each Board member shall be responsible for disclosing any material interest that he or she may have in or with a Project or an Applicant or any financing source for a Project. Any Board

member having any material interest in or with a Project or an Applicant or financing source for a Project shall submit to the Board's counsel an explanation of that interest, and the Board's counsel shall advise both the Board and Board member whether the member should recuse himself or herself from consideration of the Application. Such recommendation of the Board's counsel shall be conclusive. If recusal is recommended, the Board will then consider the Application without participation from the member or members who recuse themselves.

To avoid conflicts of interests, the Board's counsel will disclose to the Board if he has a professional legal relationship with or material interest in a Project or an Applicant or any financing source for the Project, and in the event of such a conflict involving the Board's counsel, the Board will retain special counsel to represent it in connection with the particular Project being considered. The Board, however, may waive any such conflict in appropriate circumstances.

Section III. Definitions

For purposes of these Policies and Procedures, the following terms shall have the following meanings:

"Applicant" means the Person, with the authority to legally represent the entity, applying to the Board for a PILOT incentive with respect to a Project.

"Application" means the application submitted to the Board by an Applicant to receive a PILOT incentive.

"Brownfield Site" means a parcel of property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

"Economic Development Organization" means the Oak Ridge Economic Partnership, the Roane Alliance or the Anderson County Economic Development Association.

"Economic Leakage" means the loss of sales and sales tax revenue from one community to a neighboring community.

"Energy Efficiency Building" is a building that meets or exceeds certified energy efficiency standards such as LEED®, Leadership in Energy and Environmental Design.

"Expansion" means the addition of buildings, structures, machinery and/or equipment for the purpose of expanding a Project.

"FTZ" means Foreign Trade Zone #148.

"Governmental Authority" means the United States, the State of Tennessee, any political subdivision of either, and any agency, department, commission, board, bureau or instrumentality of any of them.

"Greyfield" means any previously developed property that does not have known environmental contaminants but is economically nonviable in its current state and has conditions that significantly complicate its redevelopment or reuse, as determined by the Board.

"Lease Agreement" means the lease agreement between the Applicant and the Board pursuant to which the Board leases a Project to the Applicant and agrees upon the terms of a PILOT incentive.

"Local Company" is a company that (i) has its principal office within the Local Governments, (ii) operates one of its principal facilities in the Local Governments, or (iii) has a significant executive and management presence in the Local Governments.

"MOU" (Memorandum of Understanding) means the signed document that outlines all the pertinent terms and conditions required to develop the lease agreement of the PILOT incentive

"National Corporate Headquarters" means a Project that meets the following criteria as determined by the Board:

- (i) The entity occupying the Project must be a business of regional or national significance;
- (ii) A significant percentage, as determined by the Board, of the decision-making officers or employees of such entity must work and maintain their primary offices at the proposed Project;
- (iii) The Project will be the office location of a majority of the management employees of such entity; and
- (iv) The entity must make a significant financial commitment, as determined by the Board, to construct or improve the Project.

"Payment-in-Lieu-of Taxes" or "PILOT" means payments established by a Board to be made in lieu of ad valorem (land, building or equipment) taxes with respect to a Project.

"Person" means any individual, sole proprietorship, corporation, limited liability company (LLC), association, partnership (general, limited, or limited liability partnership), organization, business, trustee, individual or government or political subdivision thereof or any governmental agency, with the legal authority to submit an application for a PILOT incentive.

"PILOT Term" means the period of time, in years, during which a PILOT incentive is in effect pursuant to a Lease Agreement.

"Project" means the acquisition, construction and/or improvement of land, buildings, structures, machinery, equipment and related improvements as described in an Application. A Project may include any Expansion that an Applicant commits to commence within three (3) years of the execution of the Applicant's Lease Agreement. Any Expansion undertaken after such date will require a new Application to be filed with the Board with respect to the Expansion. A Project must be located on a single tract of property or contiguous tracts of property.

"Speculative Buildings" means construction of a building with no formal commitment from an end user for the finished building.

Section IV. PILOT Amount, Application of Evaluation Matrices and Alternative Calculation

PILOT Amount

If an Applicant is approved for a PILOT incentive, the amount of the PILOT for the PILOT Term shall be equal to the taxes imposed by all taxing authorities on the property that is the subject of the Project for the most recent tax year prior to the execution of a Lease Agreement with an Applicant (or if the property was previously exempt from taxation, an amount equal to the taxes that would have been imposed on the property if the property had not been so exempt).

For example, if an Applicant intends to acquire an undeveloped tract of real property and to build and equip a manufacturing facility thereon, the PILOT amount for the PILOT Term shall be the amount of taxes imposed during the prior tax year on the undeveloped property by all local taxing authorities. If an Applicant intends to acquire and rehabilitate an existing facility, the PILOT amount would be the taxes imposed for the most recent tax year on the existing facility prior to its rehabilitation. If the Applicant requests a PILOT incentive only with respect to new equipment to be acquired, the PILOT amount with respect to such equipment would be \$0.

Application of Evaluation Matrices

The Evaluation Matrices attached as Appendix A and Appendix B are intended to provide objective criteria for the Boards to assist in determining the length of the PILOT Term, if any, with respect to a Project. The Boards may consider other special circumstances as it deems relevant in determining a PILOT Term with respect to a particular Project, provided, however, in no event shall the Board award more than 30 points in the aggregate under the Evaluation Matrix for special circumstances without the consent of the Local Governments.

Industrial/Office Matrix (Appendix A)

The Industrial/Office Matrix is intended to provide objective criteria for the Boards to assist in determining the amount and length of the PILOT Term, if any, specific to each Project. All approved incentives are based on the Industrial/Office Matrix. The Oak Ridge Board only authorizes incentives within the parameters of the Matrix with the maximum PILOT Term being 14 years. The Oak Ridge Board may elect to recommend to the Oak Ridge City Council for consideration incentives outside the parameters of the Matrix. The Industrial/Office Matrix contains five criteria to be considered by a Board in establishing a PILOT Term. The following is a brief discussion of each criterion, which discussion is intended to provide guidance as to how each criterion will be applied by the Boards:

1. **New Jobs** – The number of new jobs will be based upon estimates to be provided by the Applicant and the Boards may obtain other information as required. The estimate of new jobs will be based upon the number of new jobs that are anticipated to exist at the Project site three years after completion of the Project. Permanent full-time, full-time equivalent, seasonal, and contract jobs will be considered by the Board, but part-time employment will be appropriately weighted by the Board.
2. **Wages** – The average annualized wage that is to be paid by an Applicant, as compared to the existing per capita income published by the Tennessee Department of Employment Security for the Local Governments, will be a relevant factor in the Board's consideration of an Application. An Applicant who pays an average annualized wage that surpasses 170% of the per capita income for the Local Governments may be given special consideration points. All special consideration points will be awarded at the Board's discretion.
3. **Capital Investment** – The Board will consider any Capital expenditure made by the Applicant in a Project. Special consideration on a case-by-case basis

will be used to increase points to Applicants who are making more than \$30 million in capital expenditures. The Matrix utilized by the Oak Ridge Board includes points for buildings certified as energy efficient, such as LEED®. To be eligible for a PILOT incentive, an Applicant must agree to make a minimum of \$1,000,000 in capital expenditures. Capital expenditures for specific items, such as land, building and equipment, must be made by an Applicant in substantially the manner represented to the Board in the Applicant's Application unless the Board otherwise consents.

4. **Location** – The location of a Project within any of the following areas will be a favorable factor:
 - Designated Brownfield
 - The FTZ
 - Any vacant existing business facility
5. **Residency of new employees** – The expected location of the residences of the employees at the Project site, as represented by the Applicant, within the City will be a favorable consideration. For purposes of applying this factor, residency at any location within the City, will be considered.

Commercial/Retail Matrix (Appendix B)

The Boards use the Commercial/Retail Matrix as a guide along with other criteria in determining the feasibility of incentive requests. The Matrix utilized by the Oak Ridge Board includes consideration for buildings certified as energy efficient, such as LEED®. The Matrix is separated into the following four (4) commercial components:

Retail
Commercial Housing
Commercial Office
Renovated Areas

In addition to the Commercial/Retail Matrix, consideration for the Commercial/Retail incentives may include the following:

Economic Leakage
Return on Investment
Enhancement of Quality of Life
Economic Analysis

Alternative Calculation (Anderson County Portion Only)

The Oak Ridge Board has the flexibility to grant PILOT incentives utilizing an Alternative Calculation, in the Anderson County portion of the City (Roane County allows for up to 100% abatement), of the PILOT amount in place of the standard calculation provided by the two matrices described above. The Alternative Calculation allows for a declining basis tax abatement, based on the Prime Rate plus 1% (the borrowing cost for most companies) on the day of closing of the PILOT lease agreement.

As demonstrated in the table below, the Alternative Calculation provides for a smaller overall tax abatement than the standard calculation of the matrices. The Alternative Calculation provides for a larger amount of abated funds in the early years of the PILOT Term, whereas the standard calculation provides for an equal amount of abated funds throughout the PILOT Term.

The PILOT calculation example below includes the following criteria:

- Within the Anderson County portion of the City of Oak Ridge (the Roane County

portion allows for up to 100% abatement)

- Project valued at \$5,000,000
- Matrix provides for 50% abatement for 6 years
- City tax rate of \$2.39 and County tax rate of \$2.26, for a total of \$4.65, assume no increase in tax rate
- Prime rate plus 1% at date of closing is 4.25%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Standard Calculation	50%	50%	50%	50%	50%	50%	300%
	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$46,500	\$279,000
Declining Basis %	100%	66.7%	53.3%	40%	26.7%	13.3%	300%
Alternative Calculation	100%	63.9%	49.1%	35.3%	22.6%	10.8%	282%
	\$93,000	\$59,472	\$45,638	\$32,834	\$20,996	\$10,070	\$262,010

Section V. Post-Closing Monitoring

Through the implementation of the PILOT program, the Boards intend to produce substantial and measurable changes and improvements to and for the economic and commercial environment of the Local Governments. Accordingly, each Lease Agreement with an Applicant will contain, in the manner determined by the respective Board, certain commitments relating to job creation, wage levels, and capital expenditures. The Boards will annually (or at such other times as it deems appropriate) evaluate each Project receiving a PILOT incentive to ensure compliance with the Lease Agreement applicable to the Project.

In order to assist the Boards in determining compliance with the Lease Agreements and in gathering information to help the Boards evaluate the effectiveness of its PILOT program, each Person who is a party to a Lease Agreement with the respective Board shall provide to the Board certain information in the manner described in the Lease Agreement, which information shall include, but not be limited to, the following:

1. **Capital Expenditures** – A list of all capital expenditures made with respect to the Project during the prior year.
2. **Employee Report** – To include at least the following:
 - a. Total number of employees
 - b. Total salaries
 - c. Number of employees who reside in the City
 - d. Total salaries of employees who reside in the City
 - e. List of jobs with job classifications in such form as is required by the Board.
3. **Vendor Support Report** – The gross dollars spent locally on supplier and professional service contracts during the prior year.
4. **Comparison Criteria Report** – A comparison of the Applicant's actual job creation, wages and capital expenditures with the Applicant's initial projections for job creation, wages and capital expenditures as shown in the Applicant's Application.

If any such report or other information obtained by the Boards reveal that the Applicant has not complied with the Lease Agreement with respect to its employment, wage or capital expenditure commitments, the Board will have such remedies as are provided in the Lease Agreement. The specific remedies will be set out in the Lease Agreement, but, generally, if an Applicant fails in any year to meet the employment, wage or capital expenditure estimates provided in its Application and

upon which the Evaluation Matrix was applied, the Applicant should expect that the Applicant's PILOT incentive would be proportionately reduced in that year in addition to any other remedies that may be available under the Lease Agreement.

For example, if an Applicant was awarded 100 points based upon the application of the Evaluation Matrix and the report filed by an Applicant in any year shows that the Applicant would only have been awarded 80 points for the relevant year based upon the actual facts, the Applicant would not receive 20% of its PILOT incentive for such year.

On an annual basis, each respective Board will prepare a compilation of the information received from these reports. This annual compilation will be provided, within thirty (30) days of its completion, to the County Mayor and County Trustee of the County and the Mayor and City Manager of the City. The County Mayor will make such compilation available to the County Commission of the County, and the City Manager will make such compilation available to the City Council of the City. For the Oak Ridge Board, the compilation and distribution of the annual reports are the responsibility of the City Staff IDB Representative.

Section VI. Fees

Any Person desiring that a Board consider providing a PILOT incentive shall submit an Application to the appropriate Board in a form approved by the Boards. Any Applicant shall also follow the procedures set forth in Appendix C in applying for a PILOT incentive.

1. **Application Fees**

An Application fee must be submitted with each completed Application. The Application fee is refundable at the discretion of the Board. The Application Fee shall be calculated using the following chart:

<u>Estimated Project Capital Expenditures At the Time of Application</u>	<u>Application Fee</u>
\$1,000,000 - \$2,500,000	\$2,000
\$2,500,001 - \$5,000,000	\$3,000
\$5,000,001 - \$10,000,000	\$4,000
\$10,000,001 - \$25,000,000	\$8,000
Greater than \$25,000,000	\$15,000

2. **Closing Fees**

A closing fee computed as described in this paragraph will be paid to the respective Board prior to or at the execution of the Lease Agreement. Closing fees for PILOT incentives are based on the benefits that an Applicant will receive (i.e. value of the tax savings over the applicable PILOT Term) rather than on the total Project investment. The closing fee for a PILOT incentive transaction with the Board will be 5% of the expected tax savings for the Applicant, as estimated by the Board, with a minimum closing fee of \$1,500 and a maximum fee of \$300,000. The Applicant receiving the PILOT incentive will also be responsible for paying expenses of the Board relating to the transaction (i.e. attorney's fees, copies, postage, long distance telephone calls, etc).

2. **Lease Amendments**

If an Applicant requests an amendment to an existing Lease Agreement, the Applicant will pay a fee of \$1,000 at the time of the request.

4. **Assignment Fee**

If the Board approves the assignment of a Lease Agreement, the Applicant shall pay an assignment fee of 1% of the tax savings for the assignee following such

assignment, as estimated by the Board, up to \$1,000,000 with a minimum fee of \$4,000 and 1/2% of such savings over \$1,000,000 with a maximum fee of \$25,000. The Applicant shall also be responsible for all expenses, including attorney's fees incurred by the Board, in connection with such assignment.

5. Reciprocal Fee Payment and Notification

An amount representing 20% of the applicable fees received by the Roane County or Oak Ridge Board pursuant to this Section shall be paid to the other board promptly upon receipt. Each Board will notify the County Mayor and County Trustee of the County and the Mayor and City Manager of the City of any Lease Agreement that provides for a PILOT within fourteen (14) days of entering into such Lease Agreement. The City Staff IDB Representative will provide the written notification for the Oak Ridge Board.

Section VII. Memorandum of Understanding

When the Oak Ridge Board approves a PILOT incentive, a Memorandum of Understanding (MOU) will be developed, by the City Staff Representative, that outlines all pertinent terms and conditions of the incentive, attached as Appendix E. The MOU will specify a date by which both the Board and the Applicant may anticipate an appropriate Lease Agreement to be executed. Signed by both the Chairman of the Board and the Applicant, the MOU will serve as the foundation upon which a formal lease document will be built. The following items may be included in the MOU, length of the PILOT incentive, percentage of tax abatement, performance standards, reporting dates and recovery provisions.

Section VIII. Assignment of Lease Agreement

Lease Agreements will not be assignable without the prior consent of the applicable Board. An Applicant seeking an assignment of an Agreement shall confer with the Board to determine the proper procedure in the specific transaction. The Board will then determine whether the assignment will be approved or whether a new Application should be filed by the assignee.

Section IX. City of Oak Ridge – Application Administrative Process (See Appendix C)

Section X. Oak Ridge Board Decision Process

Following receipt of the City Manager's recommendation, the Oak Ridge Board will vote on the Applicant's request for an incentive. Should the Oak Ridge Board vote concur with the City Manager's recommendation, the decision is final. Should the Oak Ridge Board vote differ with the City Manager's recommendation, the City Manager may reevaluate his recommendation in light of the IDB vote and resubmit. Should the IDB and City staff not reach agreement, the matter is referred to the Oak Ridge City Council for final resolution.

Section XI. Environmental Report Requirements

Each Applicant shall submit with its Application, the most recent Phase I Environmental Site Assessment Report (unless the Project consists only of new equipment) with respect to the proposed Project site. All such reports must grant to the Board the right to rely on such reports. All Phase I Environmental Site Assessments submitted to the Board should substantially conform to the ASTM standards. An Environmental Assessment or Environmental Impact Statement performed by or on behalf of the U.S. Department of Energy may substitute for an Environmental

Site Assessment. The environmental contamination of a Project site may be a basis for rejecting an Application if the Board's counsel advises the Board that the respective Board or the Local Governments would have any obligation to remediate the contamination if the Board acquires the Project site.

Section XII. Miscellaneous

These Policies and Procedures shall not be construed to create any type of contract or agreement between the Board or the Local Governments and any third party, including any Applicant. Notwithstanding any provision of these Policies and Procedures to the contrary, the Boards retain the right, in their sole discretion, not to enter into any Lease Agreement with any Applicant and not to approve any Application for a PILOT incentive. If any Applicant does not enter into a Lease Agreement with respect to a proposed Project within one year of the initial approval by the Board of the Applicant's Application for a PILOT incentive, that Applicant's Application shall be deemed to be withdrawn, and the Applicant shall be required to resubmit a new Application if the Applicant wants the Board to continue to consider the Applicant's Project for a PILOT incentive.

Section XIII. Program Term

Each Board is authorized to negotiate PILOT incentives pursuant to these Policies and Procedures for a period of three years from the date these Policies and Procedures are approved by the County Commission or City Council of the Local Governments. After such date, the Boards shall not be authorized to negotiate PILOT incentives pursuant to these Policies and Procedures unless the County Commission of the County and the City Council of the City have reviewed these Policies and Procedures.

Section XIX. Modifications

Boards and Local Governments must approve any modification of these Policies and Procedures except as provided in Section I.

APPENDIX A

INDUSTRIAL/OFFICE EVALUATION MATRIX

Job Creation		Wages		Investment		Location		Residency		Abatement	
Maximum 30 Points		Maximum 30 Points		Maximum 55 Points		Maximum 10 Points		Maximum 75 Points		Refer to Notes 1&2	
Points will be awarded for each new job to be created due to the project		Firms are encouraged to pay wages that raise the Per Capita Income of the County as defined by the TN Department of Employment Security		Capital expenditures to be made by Applicant at Project Site		Firms locating in specific area of interest		Firms are encouraged to hire employees who reside within the City			
Criteria		Criteria		Criteria		Criteria		Criteria			
Jobs Created											
Number of Employees	Points	Wages	Points	Amount	Points	Number of Employees	Points	Total Score	Years		
1	15	120%	5	\$1,000,000	2	1	15	21	30	2	
16	30	130%	10	\$3,000,001	4	16	30	31	40	3	
31	45	140%	15	\$6,000,001	6	31	45	41	50	4	
46	60	150%	20	\$10,000,001	8	46	60	51	60	5	
61	75	160%	25	\$15,000,001	10	61	75	61	70	6	
76	90	170%+	30	\$20,000,001	15	76	90	71	80	7	
91	105			\$25,000,001	20	91	105	81	90	8	
106	120			\$30,000,001	25	106	120	91	100	9	
121	135			\$35,000,001	30	121	135	101	110	10	
136	150			\$40,000,001	35	136	150	111	120	11	
151	165			\$45,000,001	40	151	165	121	130	12	
166	180			\$50,000,001	45	166	180	131	140	13	
181	195			\$55,000,001	50	181	195	141	150+	14	
196	210			\$60,000,001	55	196	210	141	150+	14	
211	225+			\$65,000,000+	55	211	225+	141	150+	14	
211	225+					211	225+	141	150+	14	

AVAILABLE BONUS POINTS

- 5 Points if project is a corporate headquarters
- 10 Points if building is certified for energy efficiency, such as LEED®.
- 10 Points if project locates in existing facility
- 10 Points if chief executive resides within the City of Oak Ridge

Notes:

¹ Up to 50% abatement of improvement in Anderson County including the City of Oak Ridge in Anderson County

² Up to 100% abatement of improvement in Roane County including the City of Oak Ridge in Roane County

APPENDIX B COMMERCIAL/RETAIL EVALUATION MATRIX				
Investment	Retail	Commercial Housing	Commercial Office	Renovated Areas
	>1,000,000 and	>1,000,000	>1,000,000 and	
	33% of complex must be new or expanded retail to Anderson County		New tenants from outside Anderson County	5 additional years
			No new speculative office	
< \$5,000,000	33% 10 years	25% 10 years	25% 5 years	
> \$5,000,000	50% 10 years	33% 10 years	33% 5 years	
> \$15,000,000	50% 15 years	33% 15 years	33% 10 years	

Examples for Illustration Purposes only							
ID	Description	New Investment	New Tenants (Number of Employees on Site)	Eligible Tax Reduction Terms Based on New Investment and/or Tenants	Estimated Annual Property Tax Discount to Developer (City & County) Based on 70 Percent of Investment	Estimated Property Tax Discount to Developer Over Reduction Period (City & County)	Estimated City & County Property Tax Collections Over Reduction Period
3	office - speculative	28,000,000		NONE			
4	retail - renovated area	17,000,000		50% 20 years	126,854	2,537,080	2,537,080
6	commercial housing	12,000,000		33% 10 years	84,427	844,272	1,714,128
7	retail/hotel - renovated area	7,500,000		50% 15 years	55,965	839,475	839,475
8	retail - renovated area	2,000,000		33% 15 years	9,850	147,748	299,972
11	retail/office	2,500,000		33% 10 years	12,312	123,123	249,977
12	retail	2,000,000		33% 10 years	9,850	98,498	199,982
*13	office - renovated	2,000,000	350	25% 10 years	7,462	74,620	223,860

Requests for Infrastructure Improvements and/or other considerations must be approved by City Council on an individual basis

* Renovation will not increase taxable value of building

Calculations will fluctuate with tax rate changes

NOTE: Consideration given for certified energy efficiency construction, such as LEED ®.
Consideration given for construction/renovation on a greyfield property.

APPENDIX C
PILOT INCENTIVE PROGRAM PROCEDURES
for the
INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF OAK RIDGE (IDB)

1. An Applicant should request the scheduling of a pre-application meeting with the City Staff IDB Representative to discuss the PILOT incentive procedure as it relates to the Applicant's Project. The following representatives should participate in the pre-application meeting:
 - a. Potential applicant with supporting staff, if applicable
 - b. Applicable IDB Member Representative
 - c. IDB Executive Director
 - d. City Staff IDB Representative
 - e. Chamber and/or Economic Development Organization Representative
2. The Applicant shall submit its Application (which shall be in the form of Appendix D) prior to receiving a building permit with all documentation pertaining to the Application by scheduling an appointment with and submitting it to the City Staff IDB Representative no less than 14 days prior to a scheduled meeting of the IDB. The following Information must accompany the Application unless waived by the IDB:
 - a. Financial Statements – preferably audited statements, at least statements reviewed by a CPA
 - b. Phase 1 Environmental Audit addressed to the Board or equivalent
 - c. Application Fee
3. The City Staff IDB Representative will assure that the Application is complete and that appropriate fees have been paid. The Oak Ridge City Manager and staff will review all applications and make a written recommendation (including an approved Matrix) to the IDB based on their analysis of the Application. Prior to issuing a written recommendation to the IDB, the City Manager / staff may consult the following parties:
 - a. Applicant or its representative
 - b. IDB Executive Director
 - c. City Staff IDB Representative
 - d. Recruiting organization representative
 - e. Others as needed
4. Following the receipt of the City Manager's written recommendation, the IDB will vote on the Applicant's request for an incentive. Should the IDB vote concur with the City Manager's recommendation, the decision is final. Should the IDB vote differ with the City Manager's recommendation, the City Manager may reevaluate his recommendation in light of the IDB vote and resubmit. Should the IDB and City staff not reach agreement, the matter is referred to the Oak Ridge City Council for final resolution.
5. Based upon the Application, the IDB will determine whether to give preliminary approval for a PILOT incentive. If preliminary approval is given, a memorandum of understanding (MOU), attached as Appendix E, outlining all pertinent terms and conditions of the incentive will be developed by the City Staff IDB Representative. The MOU serves as the foundation upon which a formal Lease Document is built. Upon execution of the MOU, the IDB's counsel will prepare the form of Lease Agreement and negotiate the form of such Lease Agreement with the Applicant's designated representative.
6. Once the Applicant and the IDBs' counsel agree on the proposed form of a Lease Agreement, such Lease Agreement shall be submitted to the IDB for its approval. When the Applicant's matter is to be considered at an IDB meeting, a representative of the Applicant

should attend such meeting.

7. Upon IDB approval of the Lease Agreement, a date for the closing can be scheduled immediately. The following documents are needed at closing:
 - a. Lease Agreement
 - b. Special Warranty Deed (if real property is involved)
 - c. List of Encumbrances on the Property
 - d. Bill of Sale (if personal property is involved and has been acquired)
 - e. Closing fees certified or cashier's check or other collected funds
 - f. Such others as may be referred to in the Lease Agreement
8. Upon closing, appropriate documentation will be filed with the County Register's Office. Originals of all documents will be held by the IDB or its counsel. The IDB counsel will file a copy of the Lease Agreement with the appropriate County Mayor, the Mayor of the City of Oak Ridge and with the State Comptroller's office at the following address:

The Office of the Comptroller
Division of Property Assessment
501 Deaderick Street
Suite 1400 (EDA Compliance)
Nashville, Tennessee 37243-0277

9. In accordance with these Policies and Procedures, Applicants will be required to file annual compliance reports with the IDB.
10. Tenn. Code Ann. §7-53-305 requires the lessee under each Lease Agreement to file with the State Board of Equalization before October 1st of each year an annual report containing a list of all the real and tangible personal property owned by the Board subject to the Lease Agreement; the value of each listed property as estimated by the lessee of property; the date and term of the lease for each listed property; the amount of payments made in lieu of property taxes for each listed property; the date each listed property is scheduled to return to the regular tax rolls; and a calculation of the taxes, which would have been due for each listed property if the properties were privately owned or otherwise subject to taxation. Each Applicant will be responsible for the timely completion and filing of such reports with respect to its Project, and failure to timely complete and file the report may subject such Applicant to the penalties set forth in the "Act". The Applicant is required to submit a copy of each such report to the City Staff IDB Representative for inclusion in the Project file. The copy should be sent to:

Industrial Development Board of the City of Oak Ridge
200 S. Tulane Avenue
P.O. Box 1
Oak Ridge, TN 37831

Appendix D
Application for PILOT (Payment In Lieu of Taxes) / Grant Assistance
Industrial Development Board
of the
City of Oak Ridge, Tennessee

I. Applicant:

Company Name: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
Federal Employer Identification Number: _____

Company Representative to be contacted:
Name: _____ Title: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
E-mail address: _____

Description of Principal Business:

SIC/NAICS (if known): _____ Legal Structure: _____
If a corporation, state of incorporation: _____
If foreign corporation, is it registered to do business in Tennessee? _____ Yes _____ No

Principal Owner (if applicable):

Company Name: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
Federal Employer Identification Number: _____

Company Representative to be contacted:
Name: _____ Title: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
E-mail address: _____

Description of Principal Business:

SIC/NAICS (if known): _____ Legal Structure: _____
If a corporation, state of incorporation: _____
If foreign corporation, is it registered to do business in Tennessee? _____ Yes _____ No

II. Name and address of any of the following involved in the project:

Legal Counsel

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Project Engineer(s)

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Project Architect(s)

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

E-mail address: _____

General Contractor(s)

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Email address: _____

Name: _____ Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Email address: _____

Does applicant or sponsor of the project have an application pending or intend to apply for industrial revenue bond financing for this or a similar project with any other board in the City of Oak Ridge?

Yes No **If yes, please attach a detailed explanation.**

Does applicant or sponsor have present plans to incur indebtedness or other financial obligations, which would materially affect its financial condition other than the financing applied hereby?

Yes No **If yes, please attach a detailed explanation.**

Does applicant or sponsor of the project know of any proposed or pending tender offers, mergers, or acquisitions by or affecting applicant or sponsor of the project or any other materially significant corporate event in any way affecting application or sponsor of the project?

Yes No **If yes, please attach a detailed explanation.**

III. Project Location/Ownership:

Street address: _____
City: _____ County: _____ State: _____

Vicinity Map: *Please attach with general location of site shown.*

Attach a copy of deed (or surveyor's description) detailing property's metes and bounds description or other legal description.

Who owns the property at this time? _____

Does applicant have an option to purchase the property if not already owned by applicant?

Yes No

Are there presently outstanding any options or liens with regard to the property?

Yes No

Give a brief description of the activities to be performed at this location, including a description of products to be produced and/or services to be provided:

Current Zoning:

Is the property zoned appropriately for intended use by this project? Yes No

IV. Tax Information:

Obtain the latest property tax statement from the Anderson or Roane County Assessor's Office (include both real and any existing tangible personal property).

Real Property

Tax parcel ID number (s): _____

Current assessment: _____

Current tax: _____

Will this project result in the subdivision of any current tax parcel? ____ Yes ____ No

Tangible Personal Property

Tax parcel ID number (s): _____

Current assessment: _____

Current tax: _____

Are there any assessments under appeal? ____ Yes ____ No

If yes, please describe:

V. Capital Investment:

Land: Acreage: _____ Cost: \$ _____

Site Preparation Cost: \$ _____

Real Property (Building): Square Footage _____ Cost: \$ _____

Personal Property Cost: \$ _____

Indicate total capital investment forecast by year:

Year 1: \$ _____

Year 2: \$ _____

Year 3: \$ _____

Briefly describe these investments (types of tangible personal property, type of site development planned for this location and other improvements):

VI. Construction Estimate:

Start Date: Month: _____ Year: _____

Completion Date: Month: _____ Year: _____

Describe any off-site infrastructure proposed for new public investments:

Describe below construction estimates and anticipated infrastructure requirements:
Water:

Sanitary Sewer:

Electric:

Streets:

Storm Sewer:

Other:

Have project utility requirements been reviewed by the appropriate local utility providers?
_____ Yes _____ No

Certified Energy Efficiency construction, such as LEED®:

Will project be Certified Energy Efficiency construction? _____ Yes _____ No

If yes, Certification information shall be provided with your application.

All properties subject to this PILOT application will meet the Federal and State of Tennessee ADA (American with Disabilities Act) regulations at the time of construction. _____ Yes

VII. Wages/Jobs/ Residency:

Attach number of jobs listing by year, as formatted below, and the average per capita wages by major employment type category (Officials and Administrators, Professionals, Technicians, Protective Service Workers, Paraprofessionals, Administrative Support, Skilled Craft Workers, Service-Maintenance, Others).

<u>Year #1</u>	<u>Year #2</u>	<u>Year #3</u>
<u>Jobs # /Category/Salary</u>	<u>Jobs # /Category/Salary</u>	<u>Jobs# / Category/ Salary</u>

Additionally indicate number of employees living within the City of Oak Ridge by job category per years 1-3 including salary as formatted above.

Wages, jobs and residency requirements shall be achieved as set out in the PILOT agreement between the applicant and the Industrial Development Board. An annual report of achievement is required by December 31 each year for the term of the PILOT agreement.

VIII. Environmental Impacts:

Attach a Phase I Environmental Audit or equivalent addressed to the Industrial Development Board. Discuss any environmental impacts created by the project.

IX. Type of Assistance Requested

PILOT (fully describe PILOT requested): _____

Grant (fully describe grant requested): _____

Justification for PILOT/Grant request: (substantiate and fully describe the justification for this request): _____

X. Financial Information:

Attach copies of the most recent, preferably audited financial statements. If publicly held corporation, attach a certified statement of the corporation's net worth with corresponding disclosure notes as provided in the applicant's latest approved/audited financial statement.

XI. Certifications:

This application is made in order to induce the City of Oak Ridge, Tennessee and the Industrial Development Board of the City of Oak Ridge to grant financial incentives to applicant and sponsor. Applicant and sponsor represent and warrant that the statements contained herein or attached hereto are true and correct to the best of their knowledge and include all information materially significant to the board and its consideration of this application.

Applicant and sponsor have read and agree to comply with all requirements of the application procedures and policies of the City of Oak Ridge, Tennessee and the Industrial Development Board of the City of Oak Ridge. Applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the Board in connection with this application, whether or not the financial incentives are granted or this project built.

Applicant

Date

Owner

Date

Appendix E
IDB of the City of Oak Ridge
PILOT Incentive Program
MEMORANDUM OF UNDERSTANDING
(template)

THIS MEMORANDUM OF UNDERSTANDING, entered into on this the __ day of _____, _____, will confirm the understanding and agreement between (company name) and the INDUSTRIAL DEVELOPMENT BOARD of the City of Oak Ridge, Tennessee (IDB) with respect to the proposed acquisition and transfer of certain real and/or personal property (the "Property"). The Property (sometimes referred to herein or in other PILOT Documents as the "Property" or the "Equipment") is to be located within the City of Oak Ridge, Tennessee, (county name) County.

WITNESSETH:

This Memorandum of Understanding is intended to set forth the mutual understandings between (company name) and the IDB in regards to (i) the acquisition of the Property by the IDB for and on behalf of (company name) and (ii) the leasing of the Property pursuant to that certain PILOT Lease (the "Lease") by and between the IDB and (company name).

1. VALUE TO CITY OF OAK RIDGE.

(company name) proposes to construct and/or operate a (project description) facility in the city limits of Oak Ridge. The Real Property on which the facility is situated, and the building and related improvements are owned by (company name). The cost of the Real Property, Land, Building and Related Improvements to (company name) is \$(amount of total investment).

The parties recognize that the location of the Project being defined as (project name) the buildings and related items, and the investment of such funds in City of Oak Ridge by (company name) will create economic benefits for the City of Oak Ridge. Further, the IDB has made a determination that the investment made by (company name), the opening of the facility, the opportunities brought about and to be derived by such investment in the Project, and the payments to be received in lieu of taxes as described herein, are in furtherance of the public purposes of the IDB.

2. PAYMENT IN LIEU OF TAXES.

Approximately one year from the date of the approval of the (company name) incentive application (date of application approval date by the IDB or City Council), the IDB will enter into a Payment in Lieu of Tax Agreement ("PILOT Lease") with (company name). The PILOT Lease will be subject to the following terms and conditions:

- A. The PILOT Lease shall be for a term of (lease terms per matrix or City Council approval (reference resolution #)) with payment from (company name) to the IDB, upon signing the lease agreement, in the amount of \$ (PILOT fee determined by City staff).
- B. The amount of taxes abated under the terms of the Lease shall be set according to the following schedule:
 Estimated Real Property Tax savings over term of Lease (city) \$
 (fees determined by City staff) (county) \$
 Estimated Personal Property Tax savings over term of Lease – not applicable
- C. Yearly Performance Standards shall be required of (company name) in accordance with item 3 below (Real Property Investment), as allowed by this MOU and (matrix or Oak Ridge City Council Resolution #), which provides for a % tax abatement over a term of # years.
1. Jobs Creation – (from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable
 2. Wages Percentage – (from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable
 3. Real Property Investment – \$(from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable
 4. Personal Property Investment – (from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable
 5. Location: Brownfield Y ____ N ____ FTZ Y ____ N ____ – (from application)
 6. Oak Ridge Residency – (from application)
 - a. Year 1
 - b. Year 2
 - c. Year 3
 - d. Year 4
 - e. Year 5
 - f. Additional as applicable

- D. Annual progress/status reports shall be filed by (company name) during the term of the Lease no later than January 31st each year and shall contain:
1. Jobs Created per Evaluation Matrix and Actual jobs created
 2. Wage Plan per Evaluation Matrix and Actual Wage performance
 3. Capital Expenditure in real property per Matrix and Actual Expenditure
 4. Capital Expenditure in personal property per Matrix and Actual_Expenditure
 5. Confirmation of FTZ or Brownfield project site as applicable
 6. Oak Ridge residency per Matrix and actual Oak Ridge residency
- E. Recovery Provisions:

If any such report as is required by Item D set out above, or other information obtained by the IDB, reveals that (company name) has not complied with the Lease Agreement with respect to its capital expenditure commitments, the IDB will have such remedies as are provided in the Lease Agreement. The specific remedies will be set out in the Lease Agreement, but, generally, if (company name) fails in any year to meet the capital expenditure estimates provided in this MOU, (company name) should expect that (company name) PILOT incentive would be proportionately reduced in that year in addition to any other remedies that may be available under the Lease Agreement.

3. FORM OF AGREEMENTS.

The PILOT Lease and any other agreements referred to herein or pertaining to the Project, shall be in a form satisfactory to the IDB and (company name).

4. FEDERAL INCOME TAX.

It is understood by the parties hereto that (company name) will remain the owners of the Real Property, the Personal Property, and the Project for Federal Income Tax purposes.

5. AUTHORIZATIONS AND APPROVALS; ACQUISITION OF PROPERTY.

(company name) agrees to use all reasonable efforts, including, without limitation:

- obtaining all approvals and consents of legislative or other appropriate bodies of City of Oak Ridge;
- obtaining all approvals and consents of applicable departments and agencies of City of Oak Ridge ;
- obtaining all approvals and consents of the utility companies, authorities and districts referred to herein;
- the execution, delivery and filing of such further applications, agreements, instruments or other documents as are required by applicable law or necessary to acquire any and all property which will be included in the PILOT Lease and cause the agreements set forth herein to become binding obligations of (company name) .

6. COSTS, EXPENSES AND ATTORNEYS FEES.

(company name) shall be responsible for the payment of all costs and expenses incurred by the IDB, including reasonable attorneys' fees, in connection with the preparation of documents for the Project.

7. ASSIGNMENT.

(company name), as applicable, shall have the right to assign any or all of its rights under this Memorandum of Understanding to any of its affiliates.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized officers or representatives on and as of the date indicated herein.

**INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF OAK RIDGE:**

By: _____
(name)

Title: Chairman

COMPANY NAME

By: _____

Title: _____

CITY COUNCIL MEMORANDUM
13-23

DATE: November 1, 2013
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: CROSLAND SOUTHEAST TAX INCREMENT FINANCING REQUEST

Introduction

An item for the City Council agenda is a resolution to approve the Tax Increment Financing (TIF) Economic Impact Plan for the redevelopment of the Oak Ridge Mall Economic Development Area.

Funding

The City of Oak Ridge is presently receiving property taxes from the Oak Ridge Mall property, which is appraised at \$6M in assessed value, and sales taxes from two active stores. Crosland Southeast has proposed an estimated \$85M in construction costs to redevelop the Mall. At the developer's risk, Crosland Southeast has proposed a \$13M Tax Increment Financing (TIF) plan recoverable over a 20-year period through new property taxes in retail, business and residential activity as identified in the Economic Impact Plan.

Background

Crosland Southeast, a Charlotte, North Carolina based development company with a 70-year history of successful projects, proposes to purchase the 60-acre former Oak Ridge Mall property, demolish the majority of the existing structure, and create a multi-use town center in its place. The redeveloped property would include retail, office, hotel and residential elements. Construction costs are estimated at \$85,000,000. The high cost of demolition and reconstruction coupled by the anticipated lower-than-average lease rates in the Oak Ridge market has created a gap in the financing of the project. In order to cover that gap, Crosland has proposed the Oak Ridge Industrial Development Board (IDB), the City of Oak Ridge, and Anderson County fund a \$13M portion of the project through a TIF over a 20-year period.

In this TIF plan future incremental City and County property taxes would be pledged to fund the redevelopment loan. The loan would be non-recourse in that only the tax increment could be used to fund the loan payments. Crosland would be the guarantor of the loan leaving the IDB, the City, and the County totally risk free. The project is projected to create over \$2,100,000 in new sales tax revenue annually as well as create 950 to 1,000 new jobs.

The IDB held a public hearing and special called meeting on October 24, 2013 at which time they approved the TIF plan and referred it to the Oak Ridge City Council and the Anderson County Commission. The Commission will consider the plan at its November 18, 2013 meeting.

Recommendation

The City Council, in accordance with state law procedures governing Tax Increment Financing Districts, shall review, adopt, and endorse the Economic Plan as forwarded by the Oak Ridge Industrial Development Board for the \$13M mall redevelopment project TIF requested by Crosland Southeast, as recommended by the IDB.

Approval of the attached resolution is recommended.



Mark S. Watson

Attachments



LEGEND

- Retail
- Office
- Hotel
- Existing
- Residential

2,592 TOTAL PARKING SPACES

Theater

Buck

Walmart

K. Penney

TBD

Oak Ridge Shopping Mall

Master Plan

Monument Signage

Monument Signage

Monument Signage

Monument Signage

Englewood SE

TUCK AVENUE

RUTGERS AVENUE

WILTON STREET

Future Traffic Signal

Future Traffic Signal

Reconfiguring street intersections

Reconfiguring street intersections

Existing Traffic Signal

Future Traffic Signal

Master Plan

Cumulative Net New Property Tax Revenue Available For Tax Increment Financing Revised 21 Oct 2013

Parcel	Land Use	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
1	Outparcel	\$5,214	\$15,862	\$15,862	\$15,862	\$16,655	\$16,655	\$16,655	\$16,655	\$16,655	\$17,488	\$17,488	\$17,488	\$17,488	\$17,488	\$18,362	\$18,362	\$18,362	\$18,362	\$18,362	\$19,280	\$19,280
2	Large Shop	\$0	\$44,289	\$44,289	\$44,289	\$46,503	\$46,503	\$46,503	\$46,503	\$46,503	\$48,828	\$48,828	\$48,828	\$48,828	\$48,828	\$51,270	\$51,270	\$51,270	\$51,270	\$51,270	\$53,833	\$53,833
3	Small Shops	\$0	\$6,636	\$6,636	\$6,636	\$6,968	\$6,968	\$6,968	\$6,968	\$6,968	\$7,316	\$7,316	\$7,316	\$7,316	\$7,316	\$7,682	\$7,682	\$7,682	\$7,682	\$7,682	\$8,066	\$8,066
4	Large Shop	\$0	\$29,540	\$29,540	\$29,540	\$31,017	\$31,017	\$31,017	\$31,017	\$31,017	\$32,567	\$32,567	\$32,567	\$32,567	\$32,567	\$34,196	\$34,196	\$34,196	\$34,196	\$34,196	\$35,906	\$35,906
5	Large Shop	\$0	\$33,334	\$33,334	\$33,334	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$36,750	\$36,750	\$36,750	\$36,750	\$36,750	\$38,588	\$38,588	\$38,588	\$38,588	\$38,588	\$40,517	\$40,517
6	Junior Shop	\$0	\$19,197	\$19,197	\$19,197	\$20,157	\$20,157	\$20,157	\$20,157	\$20,157	\$21,165	\$21,165	\$21,165	\$21,165	\$21,165	\$22,223	\$22,223	\$22,223	\$22,223	\$22,223	\$23,334	\$23,334
7	Belk	\$17,405	\$68,362	\$68,362	\$68,362	\$71,780	\$71,780	\$71,780	\$71,780	\$71,780	\$75,369	\$75,369	\$75,369	\$75,369	\$75,369	\$79,138	\$79,138	\$79,138	\$79,138	\$79,138	\$83,095	\$83,095
8	Existing Theater	\$101,817	\$101,817	\$101,817	\$101,817	\$106,908	\$106,908	\$106,908	\$106,908	\$106,908	\$112,253	\$112,253	\$112,253	\$112,253	\$112,253	\$117,866	\$117,866	\$117,866	\$117,866	\$117,866	\$123,759	\$123,759
9	Small Shop	\$0	\$5,688	\$5,688	\$5,688	\$5,972	\$5,972	\$5,972	\$5,972	\$5,972	\$6,271	\$6,271	\$6,271	\$6,271	\$6,271	\$6,585	\$6,585	\$6,585	\$6,585	\$6,585	\$6,914	\$6,914
10	Small Shops	\$0	\$29,198	\$29,198	\$29,198	\$30,658	\$30,658	\$30,658	\$30,658	\$30,658	\$32,191	\$32,191	\$32,191	\$32,191	\$32,191	\$33,801	\$33,801	\$33,801	\$33,801	\$33,801	\$35,491	\$35,491
11	Small Shops/Rest.	\$0	\$15,926	\$15,926	\$15,926	\$16,723	\$16,723	\$16,723	\$16,723	\$16,723	\$17,559	\$17,559	\$17,559	\$17,559	\$17,559	\$18,437	\$18,437	\$18,437	\$18,437	\$18,437	\$19,359	\$19,359
12	Small Shops/Rest.	\$0	\$10,618	\$10,618	\$10,618	\$11,148	\$11,148	\$11,148	\$11,148	\$11,148	\$11,706	\$11,706	\$11,706	\$11,706	\$11,706	\$12,291	\$12,291	\$12,291	\$12,291	\$12,291	\$12,906	\$12,906
13	Residential	\$4,740	\$39,207	\$39,207	\$39,207	\$41,167	\$41,167	\$41,167	\$41,167	\$41,167	\$43,225	\$43,225	\$43,225	\$43,225	\$43,225	\$45,387	\$45,387	\$45,387	\$45,387	\$45,387	\$47,656	\$47,656
14	Residential	\$4,740	\$39,207	\$39,207	\$39,207	\$41,167	\$41,167	\$41,167	\$41,167	\$41,167	\$43,225	\$43,225	\$43,225	\$43,225	\$43,225	\$45,387	\$45,387	\$45,387	\$45,387	\$45,387	\$47,656	\$47,656
15	Outparcel	\$4,740	\$13,445	\$13,445	\$13,445	\$14,117	\$14,117	\$14,117	\$14,117	\$14,117	\$14,823	\$14,823	\$14,823	\$14,823	\$14,823	\$15,564	\$15,564	\$15,564	\$15,564	\$15,564	\$16,342	\$16,342
16	Outparcel	\$5,925	\$14,008	\$14,008	\$14,008	\$14,708	\$14,708	\$14,708	\$14,708	\$14,708	\$15,443	\$15,443	\$15,443	\$15,443	\$15,443	\$16,216	\$16,216	\$16,216	\$16,216	\$16,216	\$17,026	\$17,026
17	Small Shops/Rest.	\$0	\$9,290	\$9,290	\$9,290	\$9,755	\$9,755	\$9,755	\$9,755	\$9,755	\$10,243	\$10,243	\$10,243	\$10,243	\$10,243	\$10,755	\$10,755	\$10,755	\$10,755	\$10,755	\$11,293	\$11,293
18	Small Shops/Rest.	\$0	\$10,618	\$10,618	\$10,618	\$11,148	\$11,148	\$11,148	\$11,148	\$11,148	\$11,706	\$11,706	\$11,706	\$11,706	\$11,706	\$12,291	\$12,291	\$12,291	\$12,291	\$12,291	\$12,906	\$12,906
19	Small Shops/Rest.	\$0	\$6,636	\$6,636	\$6,636	\$6,968	\$6,968	\$6,968	\$6,968	\$6,968	\$7,316	\$7,316	\$7,316	\$7,316	\$7,316	\$7,682	\$7,682	\$7,682	\$7,682	\$7,682	\$8,066	\$8,066
20	Junior Shop	\$0	\$15,358	\$15,358	\$15,358	\$16,125	\$16,125	\$16,125	\$16,125	\$16,125	\$16,932	\$16,932	\$16,932	\$16,932	\$16,932	\$17,778	\$17,778	\$17,778	\$17,778	\$17,778	\$18,667	\$18,667
21	Junior Shop	\$0	\$15,358	\$15,358	\$15,358	\$16,125	\$16,125	\$16,125	\$16,125	\$16,125	\$16,932	\$16,932	\$16,932	\$16,932	\$16,932	\$17,778	\$17,778	\$17,778	\$17,778	\$17,778	\$18,667	\$18,667
22	Junior Shop	\$0	\$21,757	\$21,757	\$21,757	\$22,844	\$22,844	\$22,844	\$22,844	\$22,844	\$23,987	\$23,987	\$23,987	\$23,987	\$23,987	\$25,186	\$25,186	\$25,186	\$25,186	\$25,186	\$26,445	\$26,445
23	Hotel	\$13,509	\$13,509	\$194,501	\$194,501	\$204,226	\$204,226	\$204,226	\$204,226	\$204,226	\$214,438	\$214,438	\$214,438	\$214,438	\$214,438	\$225,159	\$225,159	\$225,159	\$225,159	\$225,159	\$236,417	\$236,417
24	Outparcel	\$4,740	\$13,342	\$13,342	\$13,342	\$14,009	\$14,009	\$14,009	\$14,009	\$14,009	\$14,710	\$14,710	\$14,710	\$14,710	\$14,710	\$15,445	\$15,445	\$15,445	\$15,445	\$15,445	\$16,217	\$16,217
25	Office	\$17,301	\$17,301	\$17,301	\$17,301	\$17,614	\$17,614	\$17,614	\$17,614	\$17,614	\$18,495	\$18,495	\$18,495	\$18,495	\$18,495	\$19,419	\$19,419	\$19,419	\$19,419	\$19,419	\$20,395	\$20,395
26	JC Penney	\$17,917	\$53,725	\$53,725	\$53,725	\$56,411	\$56,411	\$56,411	\$56,411	\$56,411	\$59,232	\$59,232	\$59,232	\$59,232	\$59,232	\$62,193	\$62,193	\$62,193	\$62,193	\$62,193	\$65,303	\$65,303
27	TDB	\$25,350	\$95,022	\$95,022	\$95,022	\$99,773	\$99,773	\$99,773	\$99,773	\$99,773	\$104,762	\$104,762	\$104,762	\$104,762	\$104,762	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$115,500	\$115,500
28	Outparcel	\$4,740	\$18,023	\$18,023	\$18,023	\$18,925	\$18,925	\$18,925	\$18,925	\$18,925	\$19,871	\$19,871	\$19,871	\$19,871	\$19,871	\$20,864	\$20,864	\$20,864	\$20,864	\$20,864	\$21,908	\$21,908
29	Outparcel	\$5,925	\$14,518	\$14,518	\$14,518	\$15,244	\$15,244	\$15,244	\$15,244	\$15,244	\$16,006	\$16,006	\$16,006	\$16,006	\$16,006	\$16,806	\$16,806	\$16,806	\$16,806	\$16,806	\$17,646	\$17,646
30	Remnant 41.53 Acres (Land Value Only)	\$55,132	\$55,132	\$55,132	\$55,132	\$57,888	\$57,888	\$57,888	\$57,888	\$57,888	\$60,783	\$60,783	\$60,783	\$60,783	\$60,783	\$63,822	\$63,822	\$63,822	\$63,822	\$63,822	\$67,013	\$67,013
Annual Project Property Tax Revenue		\$289,195	\$845,920	\$1,026,912	\$1,140,672	\$1,197,705	\$1,197,705	\$1,197,705	\$1,197,705	\$1,197,705	\$1,257,591	\$1,257,591	\$1,257,591	\$1,257,591	\$1,257,591	\$1,320,470	\$1,320,470	\$1,320,470	\$1,320,470	\$1,320,470	\$1,386,494	\$1,386,494
All Other Parcels Within Impact Area		\$892,873	\$892,873	\$892,873	\$892,873	\$937,517	\$937,517	\$937,517	\$937,517	\$937,517	\$984,392	\$984,392	\$984,392	\$984,392	\$984,392	\$1,033,612	\$1,033,612	\$1,033,612	\$1,033,612	\$1,033,612	\$1,033,612	\$1,033,612
New Development Within Impact Area		\$0	\$0	\$0	\$0	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800
Project Total Annual Property Tax		\$1,182,068	\$1,738,793	\$1,919,785	\$2,033,545	\$2,230,022	\$2,230,022	\$2,230,022	\$2,230,022	\$2,230,022	\$2,431,583	\$2,431,583	\$2,431,583	\$2,431,583	\$2,431,583	\$2,638,482	\$2,638,482	\$2,638,482	\$2,638,482	\$2,638,482	\$2,799,306	\$2,850,986
Less Existing Theater		\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817
Less Existing Mall		\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661	\$111,661
Less Existing All Other Parcels		\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873
Net New Annual Property Tax		\$75,717	\$632,442	\$813,434	\$927,194	\$1,123,671	\$1,123,671	\$1,123,671	\$1,123,671	\$1,123,671	\$1,325,232	\$1,325,232	\$1,325,232	\$1,325,232	\$1,325,232	\$1,532,131	\$1,532,131	\$1,532,131	\$1,532,131	\$1,532,131	\$1,692,955	\$1,744,635
Cumulative Net New Revenue		\$75,717	\$708,159	\$1,521,592	\$2,448,786	\$3,572,457	\$4,696,128	\$5,819,799	\$6,943,470	\$8,067,141	\$9,392,373	\$10,717,605	\$12,042,838	\$13,368,070	\$14,693,302	\$16,225,433	\$17,757,564	\$19,289,696	\$20,821,827	\$22,353,958	\$24,046,913	\$25,791,548
Less City/County Debt Service @ 14.7%		\$11,130	\$104,099	\$223,674	\$359,972	\$525,151	\$690,331	\$855,510	\$1,020,690	\$1,185,870	\$1,380,679	\$1,575,488	\$1,770,297	\$1,965,106	\$2,159,915	\$2,385,139	\$2,610,362	\$2,835,585	\$3,060,809	\$3,286,032	\$3,534,896	\$3,791,358
Cumulative Tax Increment		\$64,587	\$604,059	\$1,297,918	\$2,088,815	\$3,047,306	\$4,005,797	\$4,964,289	\$5,922,780	\$6,881,271	\$8,011,694	\$9,142,117	\$10,272,540	\$11,402,963	\$12,533,386	\$13,840,294	\$15,247,202	\$16,654,110	\$18,061,018	\$19,467,926	\$20,874,834	\$22,281,742
Cumulative Years 2-21		\$0	\$539,473	\$1,233,332	\$2,024,228	\$2,982,719	\$3,941,211	\$4,899,702	\$5,858,194	\$6,816,685	\$7,947,108	\$9,077,531	\$10,207,954	\$11,338,377	\$12,468,800	\$13,775,708	\$15,082,616	\$16,389,524	\$17,696,432	\$19,003,340	\$20,447,430	\$21,935,604

Notes:

Year 1 projected property tax revenues assume an increase in land value only, caused by subdivision of the property

Current Appraised Value Of Parcels Within The Economic Impact Area

Map	Parcel	Owner	Appraised Value	Comment	
099L	002.00	Downey Oil	\$370,800	Exxon	
	003.00	Oak Ridge City Center LLC	\$5,700,000	Mall	
	003.01	Lightman Oak Ridge Company	\$5,370,100	Tinsletown	
	003.02	Linda Teasdale	\$441,700	Starbucks	
	003.03	ORCC-Staples LLC	\$2,167,900	Staples	
	004.00	M&M East Tennessee Partnership	\$1,200,900	Walgreens	
	005.00	OAKATT Partnership	\$556,300	AT&T	
	006.00	Peoples Development	\$376,700	O'Reily's	
	007.00	Oak Ridge City Center LLC	\$737,800	Vacant	
	015.00	University of Tennessee	\$335,600	Vacant portion of 4.37 acre tract	
	017.00	JER/Jameson Properties LLC	\$3,038,800	Quality Inn	
	018.00	Guilford Glazer Trust	\$259,400	Vacant	
	018.01	Guilford Glazer Trust	\$202,100	Vacant	
	018.02	Guilford Glazer Trust	\$140,100	Vacant	
	019.00	KR Development LLC	\$467,100	Former Keeping Room	
	020.00	ROLU Inc	\$363,300	Gatti's Pizza	
	021.00	ORNLCU	\$482,300	Credit Union	
	022.00	ORNLCU	\$6,851,300	Credit Union	
	023.00	Nancy Stanley	\$477,600	Realty Executives	
	024.00	Woodland View Apartments LLC	\$1,986,300	Apartments	
	025.00	Woodland View Apartments LLC	\$1,739,400	Apartments	
	026.00	Woodland View Apartments LLC	\$2,474,300	Apartments	
	027.00	Wal-Mart Real Estate	\$8,866,600	Wal-Mart	
	028.00	Oak Ridge Hotel Group LLC	\$4,754,600	Comfort Inn	
	029.00	Morrison Restaurants Inc	\$1,014,400	Ruby Tuesday	
	030.00	Anthony P. Cappiolo	\$519,500	McAlister's	
	031.00	SW Concepts	\$498,300	Various retail	
	032.00	General Mills	\$1,005,700	Red Lobster	
	033.00	Chic-Fil-A Inc	\$765,300	Chick-Fil-A	
	034.00	Hotcakes Oak Ridge Venture LLC	\$557,200	IHOP	
	035.00	RTR Partners II LLC	\$602,700	Taco Bell	
	036.00	Oak Ridge City Center LLC	\$189,300	Vacant	
	037.00	Kaizenlin Inc	\$1,613,400	Golden Oak Grill	
	038.00	USPS	\$1,210,100	Post Office	
	039.00	First Fin-OR LLC	\$1,872,000	Bank of American	
	040.00	Thomas P. Hanrahan ETUX	\$264,000	Realty Center	
	099N	002.00	US DOE	\$0	AMSE
		003.00	USDOE	\$0	Vacant
	100P	040.00	TN Bank	\$424,650	Vacant portion of 3.94 acre tract
	Subtotal			\$59,897,550	
Public Right of Way			\$0		
Total Current Appraised Value Within Economic Impact Area			\$59,897,550		
Current City Property Tax Revenue			\$557,844		
Current County Property Tax Revenue			\$548,507		
Current Total Property Tax Revenue			\$1,106,351		

Note: Figure shown in red are tax exempt and are not included in property tax calculations

Net New Annual Sales Tax Revenue Within Economic Impact Area

Parcel	Land Use	Building Size In SF	Projected Sales Per SF	Net New Sales
1	Outparcel	6000	\$277.38	\$1,664,280
2	Large Shop	35000	\$238.72	\$8,355,200
3	Small Shops	4000	\$277.38	\$1,109,520
4	Large Shop	25000	\$300.50	\$7,512,500
5	Large Shop	25000	\$321.73	\$8,043,250
6	Junior Shop	15000	\$300.00	\$4,500,000
7	Belk	61200	\$10.00	\$612,000
8	Existing Theater	54000	\$4.00	\$216,000
9	Small Shop	4000	\$277.38	\$1,109,520
10	Small Shops	22000	\$277.38	\$6,102,360
11	Small Shops/Rest.	16000	\$300.00	\$4,800,000
12	Small Shops/Rest.	8000	\$300.00	\$2,400,000
13	Residential	22000	\$0.00	\$0
14	Residential	22000	\$0.00	\$0
15	Outparcel	6000	\$277.38	\$1,664,280
16	Outparcel	8000	\$277.38	\$2,219,040
17	Small Shops/Rest.	7000	\$277.38	\$1,941,660
18	Small Shops/Rest.	8000	\$300.00	\$2,400,000
19	Small Shops/Rest.	5000	\$300.00	\$1,500,000
20	Junior Shop	12000	\$300.00	\$3,600,000
21	Juniors Shop	12000	\$300.00	\$3,600,000
22	Junior Shop	17000	\$339.67	\$5,774,390
23	Hotel	90000	\$0.00	\$0
24	Outparcel	6000	\$277.38	\$1,664,280
25	Office	80000	\$0.00	\$0
26	JC Penney	64187	\$8.00	\$513,496
27	TDB	57000	\$100.00	\$5,700,000
28	Outparcel	6000	\$277.38	\$1,664,280
29	Outparcel	6000	\$277.38	\$1,664,280
Total Net New Annual Sales				\$78,666,056
Net New Annual Local Sales Tax Revenue				\$2,163,317
Net New Annual Anderson County Revenue				\$540,829
Net New Annual Anderson County School Except Oak Ridge				\$706,885
Net New Annual City of Oak Ridge Revenue				\$540,829
Net New Annual Oak Ridge Schools Revenue				\$374,773

Note: Net New Sales for Belk, JC Penney and Cinemark assume a 10% increase over current sales

Net New Employment Within Economic Impact Area

Parcel	Land Use	Building Size In SF	SF Per Employee	Number of Employees
1	Outparcel	6000	450	13
2	Large Shop	35000	650	54
3	Small Shops	4000	450	9
4	Large Shop	25000	650	38
5	Large Shop	25000	650	38
6	Junior Shop	15000	650	23
7	Belk	61200	650	94
8	Existing Theater	54000	1500	36
9	Small Shop	4000	450	9
10	Small Shops	22000	450	49
11	Small Shops/Rest.	16000	450	36
12	Small Shops/Rest.	8000	450	18
13	Residential	22000	0	0
14	Residential	22000	0	0
15	Outparcel	6000	450	13
16	Outparcel	8000	450	18
17	Small Shops/Rest.	7000	450	16
18	Small Shops/Rest.	8000	450	18
19	Small Shops/Rest.	5000	450	11
20	Junior Shop	12000	650	18
21	Juniors Shop	12000	650	18
22	Junior Shop	17000	650	26
23	Hotel	90000	1800	50
24	Outparcel	6000	450	13
25	Office	80000	450	178
26	JC Penney	64187	650	99
27	TDB	57000	650	88
28	Outparcel	6000	450	13
29	Outparcel	6000	450	
	Subtotal	703387		997
	Less Existing Theater			36
	Less Belk and JCP			193
	Total			961

TAX INCREMENT FINANCING APPLICATION

Please return the completed application and supporting documentation to:

The Industrial Development Board for the City of Oak Ridge, Tennessee
200 South Tulane Avenue
Oak Ridge, Tennessee 37830

I. Applicant Information

1. Name of Applicant: _____ C4 Investments, LLC, or its assigns _____

2. Business Name and Address: _____ c/o Crosland Southeast _____

_____ 201 South College Street, Suite 1300 _____

_____ Charlotte, NC, 28244 _____

State of Organization (if an entity): North Carolina _____

3. Contact Person: _____ Tim B. Sittema _____

Phone Number: _____ (704) 561-5297 _____

Fax Number: _____ (704) 523-2946 _____

E-Mail Address: _____ tsittema@croslandsoutheast.com _____

4. Website of Applicant (if any): _____ <http://croslandsoutheast.com/> _____

5. Type of Business Entity: Sole Proprietorship Limited Partnership
 For-Profit Corporation General Partnership
 Limited Liability Company Nonprofit Corporation

6. Development Team

Please list the business name, contact person, address, phone number and email address for the following members of the Applicant's development team for the Project (if not known, please so indicate):

Contractor: _____ TBD _____

Architect/Engineers: _____ TBD _____

Attorney: Jim Murphy, Bradley Arant Boult Cummings LLP, 1600 Division Street, Suite 700,
Nashville, TN 37203 (615) 252-2303 jmurphy@babbc.com and Tom Trent, Bradley Arant Boult Cummings
LLP 1600 Division Street, Suite 700, Nashville, TN 37203 (615) 252-2327 ttrent@babbc.com

II. Project Information

7. Provide the parcel number(s) of the Project Area and attach a map showing such parcels (if the Project Area does not include specific parcels, show Project Area on an attached map):

See attached Economic Impact Plan for the Redevelopment of the Oak Ridge Mall

Economic Development Area

8. Does the Applicant currently own or lease the Project Area? (Check one)

Own

Lease

Neither

9. Evidence of Site Control:

- A. If the Applicant owns the Project Area, attach a copy of the Applicant's deed.
- B. If the Applicant has a contract or option to purchase the Project Area, attach a copy of the agreement or option contract.
- C. If the Applicant currently leases or will lease the Project Area, attach a copy of the lease or lease option contract.

See attached Purchase and Sale Agreement, as amended.

10. Project Narrative (Provide a brief description of the qualifying project that will be located within the Plan Area):

See attached Economic Impact Plan for the Redevelopment of the Oak Ridge Mall Economic Development Area

11. If the Project is to be leased to tenants, identify tenants or, if tenants are not known, describe types of tenants to which the Project will be marketed:

A retail-driven multi-use project which will likely include retailers and restaurants along with the potential for hotel, office and residential uses.

III. Tax Increment Financing

12. Indicate the maximum amount of tax increment financing requested. \$13,000,000 plus interest

13. Indicate maximum maturity of requested tax increment financing: 20-30 years following completion of the Project
14. Has any other government assistance (tax incentives, contributions or other economic benefits) been requested by the Applicant to assist with the Project? (Check one): Yes No

If yes, describe the type, source, and amount of assistance requested:

15. Provide a list of all properties comprising the Plan Area by parcel identification number, along with the current tax assessment and taxes paid or payable for the prior tax year for each parcel (attach additional sheets if necessary).

Parcel Identification Number	Assessed Value	Taxes
See attached spreadsheets	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

16. For each parcel in the proposed Plan Area that is not within the Project Area, if any, explain how the Project will benefit such parcel:

See attached Economic Impact Plan for the Redevelopment of the Oak Ridge Mall Economic Development Area

17. Attach a detailed budget for the Project showing anticipated sources of funds to pay Project costs and anticipated uses of those funds.

See attached pro forma.

18. Attach a detail list of the anticipated uses of proceeds of the tax increment financing.

See attached Economic Impact Plan for the Redevelopment of the Oak Ridge Mall Economic Development Area

IV. Supplemental Information

Please attach to this Application the following:

- Brief business history of the Applicant
- Resumes of all owners and officers of Applicant
- Project timetable for the Project
- Site Plan of Project Area (if available)
- Rendering of Project (if available)
- Survey of Project Area (if available)
- Map of the Plan Area showing parcels included

See attached information on Crosland Southeast and the attached proposed Site Plan. A map of the Plan Area is an exhibit to the attached Economic Impact Plan for the Redevelopment of the Oak Ridge Mall Economic Development Area.

V. Representations of Applicant

1. By executing this Application, Applicant hereby represents, certifies and agrees as follows:

(a) The Project, including the Public Improvements, would not result in a reasonable rate of return on investment to the Applicant without the use of tax increment financing, and the Applicant would not undertake the Project as described in this Application unless tax increment financing is available to finance eligible costs of Public Improvements.

(b) The undersigned Applicant hereby agrees that the Applicant shall meet with a designated member of the Board or the Board's designee, upon request, to answer any questions that may arise in connection with the Board's review of this Application and that Applicant shall provide to the Board or the Board's designee, upon request, any supplemental information requested in connection with the Board's review of the Application, including, without limitation, such financial information as the Board may request in order to determine that the Project would not be undertaken without tax increment financing.

(c) The Applicant shall pay all fees and expenses required by Section 5 of the Policies and Procedures of the Board relating to the tax increment financing.

(d) The Applicant shall indemnify and hold harmless the Board, its employees, officers, directors, attorneys and consultants against all losses, costs, damages, expenses (including reasonable attorney's fees), and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the acceptance, consideration, approval or disapproval of this Application for tax increment financing.

VI. Signature

The undersigned Applicant affirms that the information provided in this Application is true and complete. The Applicant hereby confirms that the Applicant has read and understood the requirements in the Policies and Procedures of the Board relative to tax increment financing.

Applicant: CH Investments, LLC

Signed: A. R. Sittler Date: Oct 22, 2013

Title (if Applicant is an entity): Manager

Current Appraised Value Of Parcels Within The Economic Impact Area

Map	Parcel	Owner	Appraised Value	Comment
099L	002.00	Downey Oil	\$370,800	Exxon
	003.00	Oak Ridge City Center LLC	\$5,700,000	Mall
	003.01	Lightman Oak Ridge Company	\$5,370,100	Tinsletown
	003.02	Linda Teasdale	\$441,700	Starbucks
	003.03	ORCC-Staples LLC	\$2,167,900	Staples
	004.00	M&M East Tennessee Partnership	\$1,200,900	Walgreens
	005.00	OAKATT Partnership	\$556,300	AT&T
	006.00	Peoples Development	\$376,700	O'Reily's
	007.00	Oak Ridge City Center LLC	\$737,800	Vacant
	015.00	University of Tennessee	\$335,600	Vacant portion of 4.37 acre tract
	017.00	JER/Jameson Properties LLC	\$3,038,800	Quality Inn
	018.00	Guilford Glazer Trust	\$259,400	Vacant
	018.01	Guilford Glazer Trust	\$202,100	Vacant
	018.02	Guilford Glazer Trust	\$140,100	Vacant
	019.00	KR Development LLC	\$467,100	Former Keeping Room
	020.00	ROLU Inc	\$363,300	Gatti's Pizza
	021.00	ORNLCU	\$482,300	Credit Union
	022.00	ORNLCU	\$6,851,300	Credit Union
	023.00	Nancy Stanley	\$477,600	Realty Executives
	024.00	Woodland View Apartments LLC	\$1,986,300	Apartments
	025.00	Woodland View Apartments LLC	\$1,739,400	Apartments
	026.00	Woodland View Apartments LLC	\$2,474,300	Apartments
	027.00	Wal-Mart Real Estate	\$8,866,600	Wal-Mart
	028.00	Oak Ridge Hotel Group LLC	\$4,754,600	Comfort Inn
	029.00	Morrison Restaurants Inc	\$1,014,400	Ruby Tuesday
	030.00	Anthony P. Cappielo	\$519,500	McAlister's
	031.00	SW Concepts	\$498,300	Various retail
	032.00	General Mills	\$1,005,700	Red Lobster
	033.00	Chic-Fil-A Inc	\$765,300	Chick-Fil-A
	034.00	Hotcakes Oak Ridge Venture LLC	\$557,200	IHOP
	035.00	RTR Partners II LLC	\$602,700	Taco Bell
	036.00	Oak Ridge City Center LLC	\$189,300	Vacant
	037.00	Kaizenlin Inc	\$1,613,400	Golden Oak Grill
	038.00	USPS	\$1,210,100	Post Office
	039.00	First Fin-OR LLC	\$1,872,000	Bank of American
	040.00	Thomas P. Hanrahan ETUX	\$264,000	Realty Center
099N	002.00	US DOE	\$0	AMSE
	003.00	USDOE	\$0	Vacant
100P	040.00	TN Bank	\$424,650	Vacant portion of 3.94 acre tract
Subtotal			\$59,897,550	
Public Right of Way			\$0	
Total Current Appraised Value Within Economic Impact Area			\$59,897,550	
Current City Property Tax Revenue			\$557,844	
Current County Property Tax Revenue			\$548,507	
Current Total Property Tax Revenue			\$1,106,351	

Note: Figure shown in red are tax exempt and are not included in property tax calculations

Cumulative Net New Property Tax Revenue Available For Tax Increment Financing Revised 21 Oct 2013

Parcel	Land Use	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
1	Outparcel	\$5,214	\$15,862	\$15,862	\$15,862	\$16,855	\$16,855	\$16,855	\$16,855	\$17,488	\$17,488	\$17,488	\$17,488	\$17,488	\$17,488	\$18,362	\$18,362	\$18,362	\$18,362	\$18,362	\$19,280	\$19,280
2	Large Shop	\$0	\$44,289	\$44,289	\$44,289	\$46,503	\$46,503	\$46,503	\$46,503	\$48,828	\$48,828	\$48,828	\$48,828	\$48,828	\$48,828	\$51,270	\$51,270	\$51,270	\$51,270	\$51,270	\$53,833	\$53,833
3	Small Shops	\$0	\$6,636	\$6,636	\$6,636	\$6,968	\$6,968	\$6,968	\$6,968	\$7,316	\$7,316	\$7,316	\$7,316	\$7,316	\$7,316	\$7,682	\$7,682	\$7,682	\$7,682	\$7,682	\$8,086	\$8,086
4	Large Shop	\$0	\$29,540	\$29,540	\$29,540	\$31,017	\$31,017	\$31,017	\$31,017	\$32,567	\$32,567	\$32,567	\$32,567	\$32,567	\$32,567	\$34,196	\$34,196	\$34,196	\$34,196	\$34,196	\$35,906	\$35,906
5	Large Shop	\$0	\$33,334	\$33,334	\$33,334	\$35,000	\$35,000	\$35,000	\$35,000	\$36,750	\$36,750	\$36,750	\$36,750	\$36,750	\$36,750	\$38,588	\$38,588	\$38,588	\$38,588	\$38,588	\$40,517	\$40,517
6	Junior Shop	\$0	\$18,197	\$18,197	\$18,197	\$20,157	\$20,157	\$20,157	\$20,157	\$21,165	\$21,165	\$21,165	\$21,165	\$21,165	\$21,165	\$22,223	\$22,223	\$22,223	\$22,223	\$22,223	\$23,334	\$23,334
7	Bank	\$17,405	\$88,362	\$88,362	\$88,362	\$71,780	\$71,780	\$71,780	\$71,780	\$75,369	\$75,369	\$75,369	\$75,369	\$75,369	\$75,369	\$79,138	\$79,138	\$79,138	\$79,138	\$79,138	\$83,095	\$83,095
8	Existing Theater	\$101,817	\$101,817	\$101,817	\$101,817	\$106,908	\$106,908	\$106,908	\$106,908	\$112,253	\$112,253	\$112,253	\$112,253	\$112,253	\$112,253	\$117,866	\$117,866	\$117,866	\$117,866	\$117,866	\$123,769	\$123,769
9	Small Shop	\$0	\$5,688	\$5,688	\$5,688	\$5,972	\$5,972	\$5,972	\$5,972	\$6,271	\$6,271	\$6,271	\$6,271	\$6,271	\$6,271	\$6,585	\$6,585	\$6,585	\$6,585	\$6,585	\$6,914	\$6,914
10	Small Shops	\$0	\$29,198	\$29,198	\$29,198	\$30,658	\$30,658	\$30,658	\$30,658	\$32,191	\$32,191	\$32,191	\$32,191	\$32,191	\$32,191	\$33,801	\$33,801	\$33,801	\$33,801	\$33,801	\$35,491	\$35,491
11	Small Shops/Rest.	\$0	\$15,826	\$15,826	\$15,826	\$16,723	\$16,723	\$16,723	\$16,723	\$17,559	\$17,559	\$17,559	\$17,559	\$17,559	\$17,559	\$18,437	\$18,437	\$18,437	\$18,437	\$18,437	\$19,359	\$19,359
12	Small Shops/Rest.	\$0	\$10,818	\$10,818	\$10,818	\$11,148	\$11,148	\$11,148	\$11,148	\$11,706	\$11,706	\$11,706	\$11,706	\$11,706	\$11,706	\$12,291	\$12,291	\$12,291	\$12,291	\$12,291	\$12,906	\$12,906
13	Residential	\$4,740	\$39,207	\$39,207	\$39,207	\$41,167	\$41,167	\$41,167	\$41,167	\$43,225	\$43,225	\$43,225	\$43,225	\$43,225	\$43,225	\$45,387	\$45,387	\$45,387	\$45,387	\$45,387	\$47,656	\$47,656
14	Residential	\$4,740	\$39,207	\$39,207	\$39,207	\$41,167	\$41,167	\$41,167	\$41,167	\$43,225	\$43,225	\$43,225	\$43,225	\$43,225	\$43,225	\$45,387	\$45,387	\$45,387	\$45,387	\$45,387	\$47,656	\$47,656
15	Outparcel	\$4,740	\$13,445	\$13,445	\$13,445	\$14,117	\$14,117	\$14,117	\$14,117	\$14,823	\$14,823	\$14,823	\$14,823	\$14,823	\$14,823	\$15,564	\$15,564	\$15,564	\$15,564	\$15,564	\$16,342	\$16,342
16	Outparcel	\$5,925	\$14,008	\$14,008	\$14,008	\$14,708	\$14,708	\$14,708	\$14,708	\$15,443	\$15,443	\$15,443	\$15,443	\$15,443	\$15,443	\$16,216	\$16,216	\$16,216	\$16,216	\$16,216	\$17,028	\$17,028
17	Small Shops/Rest.	\$0	\$9,280	\$9,280	\$9,280	\$9,755	\$9,755	\$9,755	\$9,755	\$10,243	\$10,243	\$10,243	\$10,243	\$10,243	\$10,243	\$10,755	\$10,755	\$10,755	\$10,755	\$10,755	\$11,293	\$11,293
18	Small Shops/Rest.	\$0	\$10,818	\$10,818	\$10,818	\$11,148	\$11,148	\$11,148	\$11,148	\$11,706	\$11,706	\$11,706	\$11,706	\$11,706	\$11,706	\$12,291	\$12,291	\$12,291	\$12,291	\$12,291	\$12,906	\$12,906
19	Small Shops/Rest.	\$0	\$6,636	\$6,636	\$6,636	\$6,968	\$6,968	\$6,968	\$6,968	\$7,316	\$7,316	\$7,316	\$7,316	\$7,316	\$7,316	\$7,682	\$7,682	\$7,682	\$7,682	\$7,682	\$8,086	\$8,086
20	Junior Shop	\$0	\$15,358	\$15,358	\$15,358	\$16,125	\$16,125	\$16,125	\$16,125	\$16,932	\$16,932	\$16,932	\$16,932	\$16,932	\$16,932	\$17,778	\$17,778	\$17,778	\$17,778	\$17,778	\$18,667	\$18,667
21	Junior Shop	\$0	\$15,358	\$15,358	\$15,358	\$16,125	\$16,125	\$16,125	\$16,125	\$16,932	\$16,932	\$16,932	\$16,932	\$16,932	\$16,932	\$17,778	\$17,778	\$17,778	\$17,778	\$17,778	\$18,667	\$18,667
22	Junior Shop	\$0	\$21,757	\$21,757	\$21,757	\$22,844	\$22,844	\$22,844	\$22,844	\$23,987	\$23,987	\$23,987	\$23,987	\$23,987	\$23,987	\$25,188	\$25,188	\$25,188	\$25,188	\$25,188	\$26,445	\$26,445
23	Hotel	\$13,509	\$13,509	\$184,501	\$184,501	\$204,226	\$204,226	\$204,226	\$204,226	\$224,438	\$224,438	\$224,438	\$224,438	\$224,438	\$224,438	\$225,159	\$225,159	\$225,159	\$225,159	\$225,159	\$238,417	\$238,417
24	Outparcel	\$4,740	\$13,342	\$13,342	\$13,342	\$14,009	\$14,009	\$14,009	\$14,009	\$14,710	\$14,710	\$14,710	\$14,710	\$14,710	\$14,710	\$15,445	\$15,445	\$15,445	\$15,445	\$15,445	\$16,217	\$16,217
25	Office	\$17,301	\$17,301	\$17,301	\$131,611	\$137,814	\$137,814	\$137,814	\$137,814	\$144,495	\$144,495	\$144,495	\$144,495	\$144,495	\$144,495	\$151,719	\$151,719	\$151,719	\$151,719	\$151,719	\$159,305	\$159,305
26	JC Penney	\$17,917	\$53,725	\$53,725	\$53,725	\$56,411	\$56,411	\$56,411	\$56,411	\$59,232	\$59,232	\$59,232	\$59,232	\$59,232	\$59,232	\$62,193	\$62,193	\$62,193	\$62,193	\$62,193	\$65,303	\$65,303
27	TDB	\$25,350	\$95,022	\$95,022	\$95,022	\$98,773	\$98,773	\$98,773	\$98,773	\$98,773	\$98,773	\$98,773	\$98,773	\$98,773	\$98,773	\$104,762	\$104,762	\$104,762	\$104,762	\$104,762	\$110,000	\$110,000
28	Outparcel	\$4,740	\$18,023	\$18,023	\$18,023	\$18,825	\$18,825	\$18,825	\$18,825	\$19,671	\$19,671	\$19,671	\$19,671	\$19,671	\$19,671	\$20,564	\$20,564	\$20,564	\$20,564	\$20,564	\$21,508	\$21,508
29	Outparcel	\$5,826	\$14,518	\$14,518	\$14,518	\$15,244	\$15,244	\$15,244	\$15,244	\$16,006	\$16,006	\$16,006	\$16,006	\$16,006	\$16,006	\$16,806	\$16,806	\$16,806	\$16,806	\$16,806	\$17,648	\$17,648
30	Remnant 41.63 Acres (Land Value Only)	\$55,132	\$55,132	\$55,132	\$55,132	\$57,888	\$57,888	\$57,888	\$57,888	\$57,888	\$60,783	\$60,783	\$60,783	\$60,783	\$60,783	\$63,822	\$63,822	\$63,822	\$63,822	\$63,822	\$67,013	\$67,013
Annual Project Property Tax Revenue		\$289,195	\$845,920	\$1,026,912	\$1,140,672	\$1,187,705	\$1,197,705	\$1,197,705	\$1,197,705	\$1,197,705	\$1,257,591	\$1,257,591	\$1,257,591	\$1,257,591	\$1,257,591	\$1,320,470	\$1,320,470	\$1,320,470	\$1,320,470	\$1,320,470	\$1,386,494	\$1,386,494
All Other Parcels Within Impact Area		\$892,873	\$892,873	\$892,873	\$892,873	\$937,517	\$937,517	\$937,517	\$937,517	\$937,517	\$984,392	\$984,392	\$984,392	\$984,392	\$984,392	\$1,033,812	\$1,033,812	\$1,033,812	\$1,033,812	\$1,033,812	\$1,033,812	\$1,085,293
New Development Within Impact Area		\$0	\$0	\$0	\$0	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800	\$94,800
Project Total Annual Property Tax		\$1,182,068	\$1,738,793	\$1,919,785	\$2,033,545	\$2,230,022	\$2,230,022	\$2,230,022	\$2,230,022	\$2,230,022	\$2,431,563	\$2,431,563	\$2,431,563	\$2,431,563	\$2,431,563	\$2,636,482	\$2,636,482	\$2,636,482	\$2,636,482	\$2,636,482	\$2,760,306	\$2,850,986
Less Existing Theater		\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817	\$101,817
Less Existing Mall		\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861	\$111,861
Less Existing All Other Parcels		\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873	\$892,873
Net New Annual Property Tax		\$75,717	\$632,442	\$813,434	\$827,184	\$1,123,071	\$1,123,071	\$1,123,071	\$1,123,071	\$1,123,071	\$1,325,232	\$1,325,232	\$1,325,232	\$1,325,232	\$1,325,232	\$1,532,131	\$1,532,131	\$1,532,131	\$1,532,131	\$1,532,131	\$1,682,955	\$1,744,635
Cumulative Net New Revenue		\$75,717	\$708,159	\$1,521,592	\$2,448,186	\$3,672,457	\$4,896,128	\$6,019,799	\$7,143,470	\$8,267,141	\$9,390,812	\$10,514,483	\$11,638,154	\$12,761,825	\$13,885,496	\$15,009,167	\$16,132,838	\$17,256,509	\$18,380,180	\$19,503,851	\$20,627,522	\$21,751,193
Less City/County Debt Service @ 14.7%		\$11,130	\$104,099	\$223,074	\$339,672	\$525,151	\$690,331	\$855,510	\$1,020,690	\$1,185,870	\$1,351,050	\$1,516,230	\$1,681,410	\$1,846,590	\$2,011,770	\$2,176,950	\$2,342,130	\$2,507,310	\$2,672,490	\$2,837,670	\$3,002,850	\$3,168,030
Cumulative Tax Increment		\$64,587	\$604,059	\$1,298,518	\$2,088,815	\$3,047,306	\$4,005,797	\$4,984,289	\$5,963,780	\$6,943,271	\$7,922,762	\$8,902,253	\$9,881,744	\$10,861,235	\$11,840,726	\$12,820,217	\$13,800,000	\$14,779,790	\$15,759,580	\$16,739,370	\$17,719,160	\$18,698,950
Cumulative Years 2-21		\$0	\$538,473	\$1,233,332	\$2,024,228	\$2,982,719	\$3,941,211	\$4,899,702	\$5,858,194	\$6,816,685	\$7,775,176	\$8,733,667	\$9,692,158	\$10,650,649	\$11,609,140	\$12,567,631	\$13,526,122	\$14,484,613	\$15,443,104	\$16,401,595	\$17,360,086	\$18,318,577

Notes:
 Year 1 projected property tax revenues assume an increase in land value only, caused by subdivision of the property
 Calculations assume that all retail, residential and outparcel construction is complete by Year 2 but the hotel isn't completed until

Tim is a Partner of Crosland Southeast and is responsible for strategic growth, management and capital markets. Prior to the formation of Crosland Southeast, Mr. Sittema served as President of Crosland Investment Services, Crosland's leasing, asset and property management service business unit. From 2005-2009, he served as a Lead Developer for Crosland Retail where he focused on identifying and leading development efforts for new retail and mixed-use opportunities throughout the Carolinas, Tennessee and Kentucky. Tim has a very strong interest in the design and placemaking elements of the projects we are involved with.

Prior to joining Crosland, Sittema served as President for Sittema Properties, Inc., in Colorado. While there he specialized in retail development projects in the Rocky Mountain States including several large land assemblage projects for large format retailers and grocery-anchored developments. Previously he was a Managing Partner for Sittema-Bullock Realty Partners and Marketing Principal for Trammell Crow Company. Mr. Sittema has over 26 years experience in the shopping center industry.

Affiliations and Accreditations

- International Council of Shopping Centers
- Apartment Life Advisory Board
- Serve Global - Focus Countries Committee Chair
- Leadership Charlotte Class XXVIII

Education

M.B.A., University of Colorado
M.S., Civil Engineering, Purdue University
B.S., Civil Engineering, Purdue University



TIM B. SITTEMA
Partner

704.561.5297

tsittema@croslandsoutheast.com



**CROSLAND
SOUTHEAST**

As Partner of Crosland Southeast, Peter is responsible for strategic direction for the company. With a significant background in leasing and sales, Mr. Pappas is passionate about the desired mix of retailers and restaurants which, when integrated with innovative site planning and timeless architectural design, results in exceptional place making. He has participated in the development of over 10 million square feet of retail space throughout the Southeast United States. Prior to the formation of Crosland Southeast, Mr. Pappas served as President of Crosland Retail where he had supervisory and management responsibility for the company's retail development, management, leasing and acquisition initiatives.

He has over 28 years experience in the shopping center industry and is active on multiple professional and philanthropic boards.

Affiliations and Accreditations

- International Council of Shopping Centers, Member
- Urban Land Institute, Member
- Charlotte Regional Commercial Board of Realtors, Member
- Licensed North Carolina Real Estate Broker
- Mecklenburg County BSA Council, Board Member
- AHEPA Marathon Chapter No. 2 Foundation, Vice Chairman

Education

M.B.A., University of South Carolina
B.S., Industrial Management, The Georgia Institute of Technology



PETER B. PAPPAS

Partner

704.561.5272

ppappas@croslandsoutheast.com



**CROSLAND
SOUTHEAST**

James is a Partner of Crosland Southeast and has 19 years experience in the shopping center industry. He is responsible for generating new retail and mixed-use development opportunities within North Carolina and Virginia, including oversight of site selection, entitlements and anchor tenant procurement. Mr. Downs began his career with Charlotte-based Aston Properties, Inc. serving as a member of the company's retail leasing and development team.

Prior to the formation of Crosland Southeast, Mr. Downs was Vice President of Crosland's Retail division where he led retail development for the company in Virginia and North Carolina. He is considered a leader in the shopping center industry having served in multiple leadership positions with the International Council of Shopping Centers, including North Carolina/South Carolina State Director.

Affiliations and Accreditations

- International Council of Shopping Centers
Senior Certified Leasing Specialist (SCLS)
- Licensed Real Estate Broker - North Carolina and South Carolina
- Charlotte Commercial Board of Realtors
Top Broker for Retail Development Award Recipient
Multimillion Dollar Award Recipient
- North Carolina Blumenthal Performing Arts Center
Board Trustee & Chairman, Corporate Capital Partners Campaign
- Levine Museum of the New South - Board Member

Education

B.A., Political Science, Furman University



JAMES F. DOWNS
Partner

704.561.5257

jdowns@croslandsoutheast.com



**CROSLAND
SOUTHEAST**

Mike is a Partner of Crosland Southeast and focuses on single-tenant build-to-suit developments and grocery-anchored retail developments. Prior to the formation of Crosland Southeast, Mr. Wiggins served as Senior Vice President of Crosland's Retail division where he led the company's expansion into Florida. He also has extensive development experience in Tennessee, Virginia and Georgia.

Prior to joining Crosland, Mike served as Vice President of Retail Development for Crescent Resources, LLC where he launched a retail division for the Duke Energy subsidiary. While at Crescent, Mike completed 750,000 square feet of retail with an additional 500,000 square feet in predevelopment, including 16 grocery-anchored neighborhood centers. Previously, he was Vice President of Retail Development for Edens & Avant from 1992 to 1999 and prior to that he was an independent consultant in the field of commercial real estate sales, development and consulting. He has 24 years experience in the shopping center industry.

Affiliations and Accreditations

- Certified Commercial Investment Member (CCIM)
- International Council of Shopping Centers, Member
- Licensed Real Estate Broker- North and South Carolina
- Philips Academy, Board Member
- Goodwill Industries, Business Enterprise Committee

Education

B.A., Political Science, The Citadel, Military College of the South



MIKE B. WIGGINS
Partner

704.561.5273

mwiggins@croslandsoutheast.com



**CROSLAND
SOUTHEAST**

Austin Williams is a Partner of Crosland Southeast and is based in Raleigh, North Carolina. Austin is responsible for our investment and development activities within the Raleigh-Durham region and coastal North Carolina, and works throughout our entire geography on a tenant-driven basis. He also represents select retailers and investors in a brokerage capacity. Prior to the formation of Crosland Southeast, Austin served as Vice President of Crosland's Retail division and Director of Operations for Crosland's Raleigh-Durham regional office.

He began his career in Atlanta, where he built a diverse resume through 5 years of development and commercial brokerage experience. In 2003, Austin moved to Charlotte to work closely with former Crosland CEO Todd Mansfield in a special projects role. He found a passion for retail development and joined Crosland's retail division in 2004.

Affiliations and Accreditations

- Urban Land Institute - Chairman, Young Leaders Group (2005-07)
- Urban Land Institute - Executive Committee, Charlotte District (2005-07)
- Urban Land Institute - Forums Committee Vice Chair (2008-2009)
- Urban Land Institute - Young Leaders Group Advisor (2011)
- ICSC- Next Generation Steering Committee (2008-11)
- Leadership Charlotte Class XXV
- Licensed Real Estate Broker - North Carolina

Education

M.S., Real Estate, Georgia State University
B.S., Architecture/Building Construction Minor, The Georgia Institute of Technology



J. AUSTIN WILLIAMS
Partner

919-256-3020

awilliams@croslandsoutheast.com



CROSLAND
SOUTHEAST



Oak Ridge Shopping Mall
Master Plan

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FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "First Amendment") is entered into as of the 25 day of July, 2013 (the "First Amendment Effective Date"), by and between OAK RIDGE CITY CENTER, LLC, a Tennessee limited liability company ("Seller"), and C4 INVESTMENTS, LLC, a North Carolina limited liability company ("Purchaser").

BACKGROUND:

A. Seller and Purchaser entered into that certain Purchase and Sale Agreement dated January 25, 2013 (the "Agreement"), regarding the purchase and sale of the Oak Ridge City Center shopping center in Oak Ridge, Tennessee, all as more particularly described in the Agreement.

B. Seller and Purchaser desire to enter into this First Amendment to, among other things, modify their understandings with regard to certain deadlines in the Agreement.

C. The defined terms used in this First Amendment, as indicated by the initial capitalization thereof, shall have the same meaning ascribed to such terms in the Agreement, unless otherwise specifically defined herein.

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars (\$10.00) and of the mutual covenants, agreements and undertakings herein set forth and other valuable considerations, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Optional Extension. Notwithstanding anything in the Agreement to the contrary, Seller and Purchaser acknowledge and agree that (i) the Optional Extension which Purchaser exercised prior to the First Amendment Effective Date is hereby deemed to have extended the Initial Inspection Period until November 30, 2013, and (ii) accordingly, the Inspection Period is hereby deemed to expire on November 30, 2013. Purchaser agrees that an additional \$10,000 of its Earnest Money will become non-refundable upon the execution of this First Amendment, bringing the total non-refundable Earnest Money to \$20,000. Accordingly, if Purchaser terminates pursuant to Section 3.4 of the Agreement, Purchaser shall receive a full return of all of the Earnest Money except for such \$20,000 and Section 3.4 (a) of the Agreement is hereby deemed amended to increase the dollar amount from \$10,000 to \$20,000.

In the event Purchaser terminates the Agreement prior to the expiration of the Inspection Period, Purchaser agrees that as a condition of receiving the return of the balance of its Earnest Money, the Purchaser shall provide Seller with copies of all correspondence with third parties directly related to the redevelopment of the subject Property including but not limited to governmental entities, potential tenants or other parties inquiring about the redevelopment or parties that have expressed verbal or written interest in occupying the subject Property. Purchaser agrees to provide Seller with copies of its physical and site planning due diligence materials such as site plans, lease plans and other technical information that are specific to the subject Property or that may have been provided to the Purchaser by third party professionals such as engineers, architects and others related to the planned development of the subject property.

These documents and correspondence shall be referred as Due Diligence Information and upon the Purchaser's good faith effort to provide such information along with a statement from Purchaser specifying that copies of all relevant information has been turned over to the Seller by Purchaser, Seller shall immediately authorize the release of the refundable portion of the Earnest Money to Purchaser.

Should Purchaser refuse to provide the Due Diligence Information as described herein within 30 days of its termination of the Agreement, then the balance of the Earnest Money shall become non-refundable and immediately released by the Title Company to Seller. In the event Purchaser provides the Due Diligence Information as outlined herein and Seller does not timely authorize the release of the refundable portion of the Earnest Money to Purchaser, the Title Company is hereby authorized to release the funds to Purchaser within fifteen (15) days of Purchaser's notice to Title Company that it has provided the necessary information.

The Purchaser has no obligation to provide any information or correspondence as part of the Due Diligence Information unless such documents and correspondence are directly related to the subject Property; the Purchaser has no obligation to provide confidential attorney client information nor any other items which are confidential in nature because of the written confidentiality requirements with third parties. As of the First Amendment Effective Date, Purchaser shall immediately commence delivering to Seller copies of the Due Diligence Information (including without limitation, site plans, lease plans, physical due diligence such as Phase I reports and engineering reports, lease term sheets and correspondence with governmental agencies or entities).

2. Permitting Period. The reference in Section 3.3 of the Agreement to "sixty (60) days" is hereby deleted and replaced with "ninety (90) days". On or before five (5) days after the expiration of the Inspection Period, the Purchaser shall increase its Earnest Money from Fifty Thousand Dollars (\$50,000) to Two Hundred Seventy Five Thousand Dollars (\$275,000) by making an additional deposit of Two Hundred Twenty Five Thousand Dollars (\$225,000) to Title Company, which shall be non-refundable except as set forth in the Agreement and applicable to the Purchase Price. This payment of \$225,000 shall be in lieu of the Second Deposit in the amount of \$50,000 and the Final Deposit in the amount of \$150,000 currently contemplated in the Agreement. Notwithstanding anything in the Agreement to the contrary, Purchaser shall have the right to extend the Permitting Period for three (3) consecutive periods of thirty (30) days each by providing written notice thereof to Seller prior to the then applicable expiration of the Permitting Period along with a payment to the Seller in the amount of Fifty Thousand Dollars (\$50,000) for each extension, (each a "Permitting Extension Payment" and collectively the "Permitting Extension Payments"); except fifty percent (50%) of the first Permitting Extension Payment shall be payable to the Title Company rather than to Seller. The Permitting Extension Payments shall not be deemed a part of the Earnest Money except for the partial Permitting Extension Payment made to the Title Company of \$25,000 which shall be deemed a part of the Earnest Money Deposit. The Permitting Extension Payments shall be non-refundable to Purchaser (except for a default by Seller) and except for fifty percent of the first Permitting Extension Payment (i.e., \$25,000), shall not be applicable to the Purchase Price.

Section 3.5 (a) of the Agreement is hereby amended by deleting such Section 3.5 (a) and inserting in lieu thereof the following: "Seller shall receive all of the Earnest Money of Two Hundred Seventy Five Thousand Dollars (\$275,000) and all of the Permitting Extension Payment, if any, held by Title Company (i.e., \$25,000.00) which is also deemed a part of the Earnest Money for a total to Seller of Three Hundred Thousand Dollars (\$300,000); provided however, if despite good faith efforts of Purchaser to obtain the Purchaser Approvals, Purchaser has not obtained such Purchaser Approvals prior to the end of the Permitting Period, and Purchaser terminates this Agreement as a result thereof on or before the expiration of the Permitting Period, then in such event, Seller shall receive half of the Earnest Money of Two Hundred Seventy Five Thousand Dollars (\$275,000) and all of the Permitting Extension Payment, if any, held by Title Company (i.e., \$25,000.00) which is also deemed a part of the Earnest Money for a total to Seller of One Hundred Sixty Two Thousand Five Hundred Dollars (\$162,500), and the remainder of the Earnest Money (i.e., \$137,500.00) shall be delivered to Purchaser."

The following is hereby added at the end of Section 3.3 of the Agreement: "Notwithstanding anything in this Agreement to the contrary, Seller and Purchaser acknowledge and agree that (i) Purchaser Approvals shall include Purchaser's receipt of all applicable building permits which are required in connection with the re-development of the Property and (ii) nothing herein shall require Purchaser to apply for such building permits prior to the end of the Inspection Period (it being understood that it is impractical and/or impossible for Purchaser to apply for such building permits prior to the end of the Inspection Period). Further notwithstanding anything in this Agreement to the contrary, (a) Purchaser shall use good faith, commercially reasonable efforts to cause all Purchaser Approvals and applications therefor to be assignable by Purchaser and (b) in the event that Purchaser terminates this Agreement during the Permitting Period, (x) Purchaser shall assign to Seller all such Purchaser Approvals and/or applications therefor to the extent assignable, (y) prior to such termination, Purchaser shall assign all of its rights under this Agreement to a single-purpose entity (to the extent such assignment had not previously been effectuated) and (z) upon such termination and at Seller's sole election, Purchaser shall assign to Seller one hundred percent (100%) of the ownership interest in and to such single-purpose Purchaser entity. To the extent any funds are owed to the Purchaser upon such termination (e.g., a portion of the Earnest Money as set forth above), it is acknowledged and agreed that such funds shall belong to C4 Investments, LLC and not to any such assignee."

Notwithstanding anything in the Agreement to the contrary, upon the expiration of the Permitting Period, except for a Seller's default, the Earnest Money of Two Hundred Seventy Five Thousand Dollars (\$275,000) and all of the Permitting Extension Payment, if any, held by Title Company (i.e., \$25,000.00) which is also deemed a part of the Earnest Money for a total of Three Hundred Thousand Dollars (\$300,000) shall be non-refundable.

3. Ratification. All terms and conditions of the Agreement, as amended hereby, are hereby ratified and shall remain in full force and effect. Seller and Purchaser represent that (i) the individuals executing this First Amendment on behalf of Seller and Purchaser, respectively, have full authority and power to execute and deliver this First Amendment, (ii) this First Amendment constitutes a valid and binding obligation on the parties hereto and (iii) neither party is in default of the Agreement as of the First Amendment Effective Date. This First Amendment contains all of the agreements of the parties hereto with respect to the matters contained herein, and no prior agreement, arrangement or understanding pertaining to any such matters shall be effective for any purpose. Seller and Purchaser acknowledge and agree that any purported termination of the Agreement pursuant to that certain letter from Purchaser to Seller dated July 24, 2013, is hereby deemed null and void and of no force or effect.

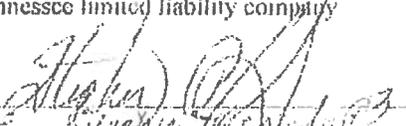
4. Counterparts. This First Amendment may be executed in two or more counterparts. Furthermore, the parties agree that (i) this First Amendment may be transmitted between them by electronic mail and (ii) electronic signatures shall have the effect of original signatures relative to this First Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by persons duly empowered to bind the parties to perform their respective obligations hereunder the day and year first above written.

[SIGNATURE BLOCKS ON FOLLOWING PAGE]

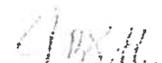
SELLER:

OAK RIDGE CITY CENTER, L.L.C.
a Tennessee limited liability company

By: 
Name: Stephen P. [unclear]
Title: Chief Financial Officer
Date: 7/25/23

PURCHASER:

C4 INVESTMENTS, L.L.C.
a North Carolina limited liability company

By: 
Name: J. [unclear]
Title: Member
Date: 7/25/23

**RESOLUTION REGARDING ECONOMIC IMPACT PLAN FOR
THE REDEVELOPMENT OF THE OAK RIDGE MALL
ECONOMIC DEVELOPMENT AREA**

Resolution of the Board of Directors of The Industrial Development Board of the City of Oak Ridge, Tennessee (the "Board"), authorizing and approving the submission of an economic impact plan to the City of Oak Ridge, Tennessee (the "City"), and to Anderson County, Tennessee (the "County").

WHEREAS, the Board is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of Chapter 53, Title 7, Tennessee Code Annotated, as amended (the "Act"); and

WHEREAS, the purpose of said Act, as stated therein, being to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, acquire, construct, own, lease, equip and/or dispose of properties to the end that such corporations may be able to, among other things, maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation by inducing manufacturing, industrial, governmental, educational, financial service, commercial, and recreational enterprises to locate or to remain in the State of Tennessee; and

WHEREAS, the Board desires that C4 Investments, LLC, a North Carolina limited liability company, or its assigns, (the "Company"), undertake a "project" within the meaning of the Act, consisting of the acquisition, construction and equipping of a retail-driven, multi-use project which contains approximately 400,000 square feet of retail space in multiple buildings, approximately 60,000 to 100,000 square feet of office space and a hotel (the "Project"), on property located within the City and the County (the "Property"), more particularly described in **Exhibit A** to Economic Impact Plan, described below; and

WHEREAS, the Company also plans to develop on the Property up to 50 multi-family residential units to be funded totally by the Company or its designee; and

WHEREAS, the Board is authorized by the Act to, among other things, prepare and submit to the City and to the County, for their approval, an economic impact plan pursuant to Section 312 of the Act; and

WHEREAS, the Board desires to approve the "Economic Impact Plan for the Redevelopment of the Oak Ridge Mall Economic Development Area" (the "Economic Impact Plan"), attached hereto as **Exhibit A** and incorporated herein by reference, pursuant to which the Board would receive property taxes allocated to the Board pursuant to Section 312(h) of the Act (the "Increment"), and use the same to repay its non-recourse promissory note, the proceeds of which will pay or reimburse the Company for its payment of a portion of the cost the "Public Infrastructure Cost" and other "Permitted Costs" as defined in the Economic Impact Plan (the "Incentive").

NOW, THEREFORE, the Board having held a public hearing relating to the proposed Economic Impact Plan after publishing notice of such hearing in a newspaper of general circulation in the City and County at least two (2) weeks prior to the date of the public hearing, which notice included the time, place and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public, be it resolved by The Industrial Development Board of the City of Oak Ridge, Tennessee, as follows:

Section 1. Findings with Respect to the Project. The Board hereby finds with respect to the Project that the acquisition, construction and equipping thereof by means of the Incentive will develop trade and commerce in and adjacent to the City of Oak Ridge, Tennessee, and Anderson County, Tennessee, will contribute to the general welfare, and will alleviate conditions of unemployment; and that the acquisition, construction and equipping of the Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

Section 2. Approval of the Incentive and the Economic Impact Plan. The form, content, and provisions of the Economic Impact Plan, as presented to this meeting of the Board of Directors, and the grant of the Incentive as contemplated herein and in said Economic Impact Plan are hereby in all particulars approved; and the Chairman and the Vice Chairman, or either of them, is hereby authorized, empowered and directed to deliver said Economic Impact Plan, to the City and the County for their consideration and approval.

The officers of the Board are hereby authorized, empowered, and directed, from and after the date hereof, to do all acts and things, and to execute all documents with the Company, the City and/or the County as may be necessary or convenient to carry out, and to comply with the provisions of said Economic Impact Plan, provided, however, that the financing documents necessary to implement the Incentive transaction shall be subject to the subsequent approval of the Board.

Section 3. Miscellaneous Acts. The appropriate officers of the Board are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, memoranda and certifications, certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution, or any of the documents herein authorized and approved, or for the granting and implementation of the Incentive or the undertaking of the Project by the Company for the foregoing purposes, including without limitation, the execution, delivery and recordation of any memoranda, certificates or other documents or instruments as they may deem necessary or desirable in connection with the foregoing, provided, however, that the financing documents necessary to implement the Incentive transaction shall be subject to the subsequent approval of the Board.

Section 4. Limited Obligation and Liability. The obligations of the Board under any documents entered into by the Board relating to the Economic Impact Plan (the "Obligations"), and any borrowing with respect thereto, are limited obligations of the Board and shall not be

deemed to constitute a general debt or liability of the Board, except insofar as the Increment has been received by the Board and the same is payable in accordance with the provisions of the Economic Impact Plan.

Neither the City, the County, the State of Tennessee, nor any other political subdivision thereof, shall be liable for the payment or performance of the Obligations or any agreement, or certification, of any kind whatsoever of the Board and neither the Obligations nor any of the agreements, Obligations, or certifications of the Board shall be construed to constitute an indebtedness of the City, the County or the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

No recourse under, or upon any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents, or any other document or certification whatsoever; or under any judgment obtained against the Board or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents, or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Board, either directly or through the Board, or otherwise, for the payment for, or to, the Board, or any receiver thereof, for any sum that may be due and unpaid by the Board for the Obligations. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Board or any receiver thereof, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents.

Section 5. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 6. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereof, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Resolution, and the exhibits and attachments thereof, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Approved and adopted this 24th day of October, 2013.

ATTEST:


Secretary

(SEAL)

**The Industrial Development Board of the
City of Oak Ridge, Tennessee**

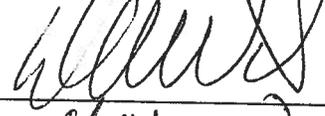
By: 
Title: Chairman

EXHIBIT A
ECONOMIC IMPACT PLAN

12489961.2

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF OAK RIDGE, TENNESSEE**

**ECONOMIC IMPACT PLAN
FOR
THE REDEVELOPMENT OF THE OAK RIDGE MALL
ECONOMIC DEVELOPMENT AREA**

1. Authority for Economic Impact Plan. Industrial development corporations ("IDBs") are authorized under Section 312 of Tennessee Code Annotated § 7-53-101, *et. seq.* (the "Act") to prepare and submit to cities and counties an economic impact plan with respect to an area that includes a project within the meaning of the Act and such other properties that the IDB determines will be directly improved or benefited due to the undertaking of such project. The Act also authorizes cities and counties to allocate new incremental tax revenues, which arise from the area subject to the economic impact plan, to the IDB to pay the cost of projects or to pay debt service on bonds or other obligations issued by the IDB to pay the cost of projects.

2. The Project; Public Infrastructure. The project consists of a retail-driven, multi-use project which contains approximately 400,000 square feet of retail space in multiple buildings, approximately 60,000 to 100,000 square feet of office space and a hotel (the "Project"), on the property shown on Exhibit A (the "Property"), to be undertaken by C4 Oak Ridge LLC, a North Carolina limited liability company, or one of its affiliates or successors (the "Company"). The Company also plans to develop up to 50 multi-family residential units on the Property to be funded totally by the Company or its designee. In order to make the Project financially feasible, The Industrial Development Board of the City of Oak Ridge (the "Board") intends, subject to the approval of the City Council of the City of Oak Ridge (the "City") and the County Commission of the County of Anderson (the "County"), of this Economic Impact Plan, to engage in tax increment financing pursuant to the Act to provide funds to pay for the following (i) the cost of constructing the Public Infrastructure (as defined below) for the Project (the "Public Infrastructure Costs"), (ii) the costs for demolition of existing buildings and other improvements on the Property (the "Demolition Costs"), (iii) the costs of site preparation for the Project (the "Site Preparation Costs"), (iv) the cost of construction of the buildings for the retail space, offices and, subject to the approval specified in Section 9(a), the hotel for the Project (the "Building Costs"), (v) the costs for the relocation of all utilities and installation of new utilities (the "Utilities Cost"), (vi) the transaction costs, engineering costs, closing costs and legal costs incurred by the Board and the Company in connection with the adoption and implementation of this Plan and the financing contemplated hereunder (the "Transaction Cost"), and (vii) such other cost as permitted by the Act (the "Other Costs") (the Public Infrastructure Costs, the Transaction Costs, and subject to the approvals specified in Section 9(a) and 9(c), the Demolition Costs, the Site Preparation Costs, the Building Costs, the Utilities Costs (to the extent not Public Infrastructure Costs) and the Other Costs, shall be hereinafter referred to as the "Permitted Costs"), not to exceed the Maximum Contribution as provided in Section 4 below. "Public Infrastructure" shall have the meaning ascribed to such term in Section 102(15) of Tennessee Code Annotated § 9-23-101, *et. seq.* (the "TIF Uniformity Act"), and shall include, without limitation, the roads, streets publicly-owned or privately-owned parking lots, facilities or

garages, traffic signals, sidewalks or other improvements that are available for public use, utility improvements and storm water and drainage improvements, whether or not located on public property or a publically dedicated easement. The Board hereby agrees and determines that the use of all or a portion of the Increment to fund the Permitted Costs of the Project is necessary or desirable. The Board hereby agrees and determines that the Project is an eligible "project" within the meaning of Section 101(13) of the Act.

3. Boundaries of Plan Area. The boundary of the area that would be subject to this Economic Impact Plan, and to the tax increment financing provisions described below (the "Plan Area"), is the Property, and a list of the tax parcels included in the Plan Area is shown on Exhibit B attached hereto, which the Board hereby agrees and determines is the property that will directly benefit from the development of the Project. The Plan Area is hereby declared to be subject to this Economic Impact Plan, and the Project is hereby identified as the project that will be located within the Plan Area.

4. Financial Assistance to Project. The Board will provide financial assistance to fund the Permitted Costs of the Project by borrowing money pursuant to a non-recourse note (the "Note"), secured and repaid by the Increment. The loan proceeds evidenced by the Note will be paid to the Company to reimburse the Company for paying all or a portion of the Permitted Costs. The maximum amount that will be made available by the Board to the Company for such financial assistance shall be an amount not to exceed Thirteen Million and No/100 Dollars (\$13,000,000.00), exclusive of interest paid on any tax increment financing issued or refinanced by the Board.

5. Expected Benefits to City and County. The City and the County expect to benefit in many ways from the development of the Project. The Company anticipates spending in excess of \$85,000,000 for the acquisition, constructing and equipping of the Project. It is forecasted that the completed Project improvements, along with anticipated growth and improvements of other properties with the Plan Area, will eventually have a tax appraisal of approximately \$156,825,263. Based upon current rates and anticipated adjustments over time, the tax base attributable to the Project and improvements to the other properties within the Plan Area is expected to generate an average of \$1,177,109 per year in City property taxes and \$1,157,409 in County property taxes per annum (the total of such taxes being \$2,334,518, which is referred to as the "New Tax Amount"). The Plan Area generated only \$557,844 in City property taxes and only \$548,507 in County property taxes for 2012 (the total of such 2012 taxes being \$1,106,351, which is referred to as the "Base Tax Amount"). The "Increment" is the incremental increase in property taxes from the development and leasing of the Project along with anticipated growth and improvements of other properties with the Plan Area over the Base Tax Amount. Based on the foregoing assumptions, the Increment will average \$1,228,167 per annum less the amount allocated to the City and County for the payment of debt service on the City's and the County's debt as required by the TIF Uniformity Act. Once the Note is repaid, all of this revenue will be retained by the City and County.

Sales tax, building permit and a variety of other local taxes and/or fees will be positively affected by the injection of 950 to 1000 estimated full and part-time jobs (plus the jobs

to be created during the construction period) and estimated retail sales of over \$78,666,056 per year once the Plan Area is fully developed, resulting in approximately \$2,163,317 in local sales tax revenue to the City and County annually. Building permit fees will result from the construction of the new facilities within the Plan Area.

The City and County will become a greater regional retail destination as a direct result of the Project, drawing shoppers and increased sales tax revenue from the residents of surrounding counties and capturing an increasing amount of sales tax revenue from City and County residents currently shopping outside of Oak Ridge and Anderson County. This will enhance the livability of the community by providing a greater ability to compete for retail sales currently being lost to Knox and other Counties. It will also save residents of the County drive time and expense when they are seeking a retail shopping experience, and existing city providers, such as restaurants and general merchandise stores, will be able to attract additional business from the Project as people from other counties are attracted to shop in the City's central retail district, which includes the Project.

6. Distribution of Property Taxes. Subject to the limitations herein, property taxes, including personal property taxes, imposed on the property located within the Plan Area shall be divided, allocated and distributed as follows:

(a) Property taxes, if any, that were levied by the City and/or the County (collectively or sometimes individually, a "taxing agency") and payable with respect to the property within the Plan Area (other than any portion of such taxes that is a debt service amount) for the year prior to the date this plan is approved ("base taxes") and that portion of property taxes, if any, designated by a taxing agency to pay debt service on the taxing agency's debt ("dedicated taxes") shall be allocated to and shall be paid to the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which the taxes on any property are less than the base and dedicated taxes, there shall be allocated and paid to the respective taxing agencies only those taxes actually imposed and collected; and

(b) Subject to any limitations herein, in the Act and in the TIF Uniformity Act, any excess of taxes levied by the applicable taxing agency, over the base and dedicated taxes, shall be allocated to and shall be paid to the Board (a "tax increment agency") for the purpose of paying principal of and interest on bonds, loans or other indebtedness, including the Note incurred or to be incurred by the Board to finance or refinance, in whole or in part, the project(s) contemplated by this Plan, provided a portion of the excess taxes may be allocated for administrative purposes as provided by applicable law and the Board's policies in effect from time to time with respect to the administration of tax increment financing unless waived by the Board.

Taxes on the real and personal property within the Project Area will be distributed as provided in this Section of the Economic Impact Plan commencing for the taxes assessed for the 2016 calendar year and continuing for a period equal to the lesser of (a) the point in time when the Note is repaid, with interest, or (b) twenty (20) years, provided however, in the event the Commissioner of the Department of Economic and Community Development and the

Comptroller of the Treasury make a written determination pursuant to Section 104 of the TIF Uniformity Act that it is in the best interest of the State of Tennessee that the taxes on the real and personal property within the Project Area should be distributed as provided in this Section of the Economic Impact Plan for a period in excess of twenty (20) years, then for purposes of this subsection (b), the number of years shall be as approved by the Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury pursuant to Section 104 of the TIF Uniformity Act and provided further that the governing bodies of the City and County also approve any allocation period in excess of twenty (20) years.

The City and County shall allocate tax increment revenues to the Board no later than sixty (60) days after the last date that taxes are due, without penalty, as to each of the City and the County for each tax year. Delinquent payments received by the City and the County shall be allocated to the Board, to the extent required no later than sixty (60) days of receipt by the City or County with interest to the extent provided in the TIF Uniformity Act.

Calculations of incremental tax revenues with respect to the Plan Area shall be done on an aggregate basis as provided in Section 9-23-103(c) of the TIF Uniformity Act.

7. Qualified Use. The Board, the City and the County, if applicable, by the adoption of this Plan, find that the use of the Increment as described herein is in furtherance of promoting economic development in the City and the County, that the Permitted Costs to be financed as described herein are costs of the Project.

8. Approval Process. Pursuant to Section 312 of the Act, the process for the approval of this Economic Impact Plan is as follows:

(a) The Board shall hold a public hearing relating to the proposed Economic Impact Plan after publishing notice of such hearing in a newspaper of general circulation in the City at least two (2) weeks prior to the date of the public hearing. The notice must include the time, place and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public. Following such public hearing, the Board will submit this Economic Impact Plan to the City and to the County for their approval.

(b) The governing body of the City and the County must approve this Economic Impact Plan for this Economic Impact Plan to be effective. Pursuant to the Act, this Economic Impact Plan may be approved by resolution of the governing body of the City and of the County, whether or not the local charter provisions of the governing body provide otherwise.

(c) Once the Economic Impact Plan has been approved by the governing body of the City and the County, the clerk or other recording official of the applicable governing body shall transmit the following to the appropriate tax assessors and taxing agency affected: (a) a copy of the description of the property within the Plan Area, and (b) a copy of the Resolution approving the Economic Impact Plan, and any and

all other filings required under the TIF Uniformity Act and applicable law shall be undertaken.

9. Further Approvals.

(a) Pursuant to Section 101(13)(B)(i) of the Act, the use of the proceeds of the Note to fund any costs of the hotel development within the Project must be proceeded by the adoption of a resolution by the City Council of the City designating the site of the Project as an area that could provide substantial sources of tax revenues or economic activity to the City of Oak Ridge.

(b) Pursuant to Section 104 of the TIF Uniformity Act, the distribution of the taxes on the real and personal property within the Project Area as provided in Section 6(c) of the Economic Impact Plan for any period in excess of twenty (20) years is subject to Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury making a written determination that it is in the best interest of the State of Tennessee that the taxes on the real and personal property within the Project Area should be distributed as provided in Section 6(c) of the Economic Impact Plan for a period in excess of twenty (20) years.

(c) Pursuant to Section 108 of the TIF Uniformity Act, the use of the proceeds of the Note to fund the Demolition Costs, the Site Preparation Costs, the Building Costs, the Utilities Costs and the Other Costs on privately-owned property (except on a publicly dedicated easement) are subject to the Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury making a written determination that the use of tax increment revenues for such purposes is in the best interest of the State of Tennessee. If the written determination approving or rejecting these proposed uses is not rendered within thirty (30) days from the receipt of the written request by the Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury, the uses shall be deemed approved. The Board is authorized to request such approval to the extent requested by the Company.

APPROVED:

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF OAK RIDGE, TENNESSEE**

By: _____
Title: _____
Date: _____

APPROVED:

CITY OF OAK RIDGE, TENNESSEE

By: _____
Title: _____
Date: _____

APPROVED:

ANDERSON COUNTY, TENNESSEE

By: _____
Title: _____
Date: _____

EXHIBIT A
PLAN AREA BOUNDARY MAP

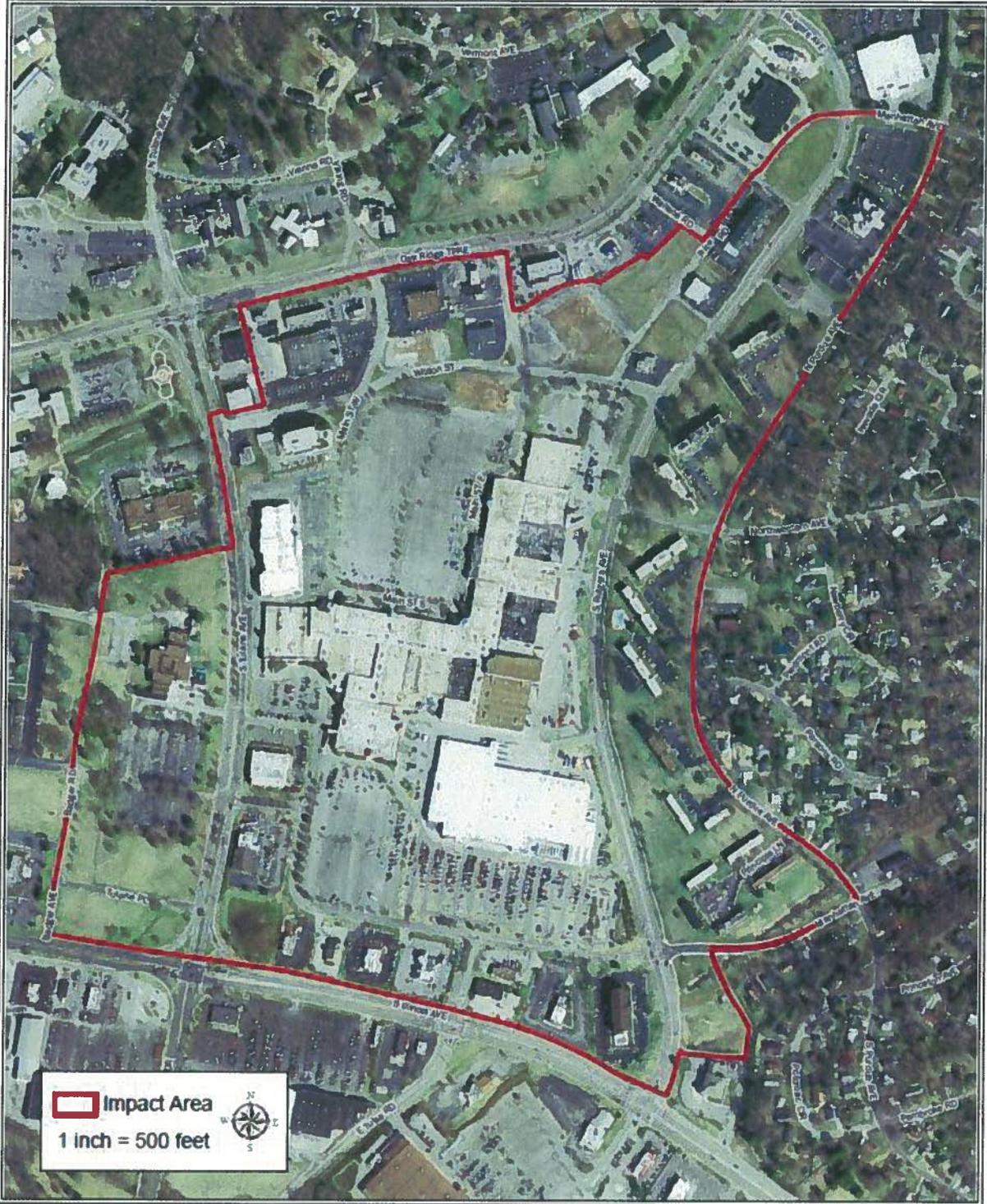


EXHIBIT B

LIST OF TAX PARCELS WITHIN PLAN AREA

Map	Parcel	Owner	Acreage
099L	002.00	Downey Oil	0.45
	003.00	Oak Ridge City Center LLC	61.85
	003.01	Lightman Oak Ridge Company	2.70
	003.02	Linda Teasdale	0.33
	003.03	ORCC-Staples LLC	3.77
	004.00	M&M East Tennessee Partnership	1.52
	005.00	OAKATT Partnership	0.71
	006.00	Peoples Development	0.99
	007.00	Oak Ridge City Center LLC	2.59
	015.00	University of Tennessee	1.40
	017.00	JER/Jameson Properties LLC	1.71
	018.00	Guilford Glazer Trust	2.13
	018.01	Guilford Glazer Trust	0.9
	018.02	Guilford Glazer Trust	0.62
	019.00	KR Development LLC	0.75
	020.00	ROLU Inc	0.50
	021.00	ORNLCU	1.89
	022.00	ORNLCU	3.10
	023.00	Nancy Stanley	1.09
		Woodland View Apartments	
	024.00	LLC	7.77
		Woodland View Apartments	
	025.00	LLC	7.78
		Woodland View Apartments	
	026.00	LLC	9.34
	027.00	Wal-Mart Real Estate	15.36
	028.00	Oak Ridge Hotel Group LLC	2.54
	029.00	Morrison Restaurants Inc	2.13
	030.00	Anthony P. Cappielo	0.76
	031.00	SW Concepts	0.67
	032.00	General Mills	1.36
	033.00	Chic-Fil-A Inc	1.26
		Hotcakes Oak Ridge Venture	
	034.00	LLC	0.70

Map	Parcel	Owner	Acreage
	035.00	RTR Partners II LLC	0.88
	036.00	Oak Ridge City Center LLC	0.79
	037.00	Kaizenlin Inc	1.73
	038.00	USPS	1.37
	039.00	First Fin-OR LLC	1.30
	040.00	Thomas P. Hanrahan ETUX	0.51
099N	002.00	US DOE	15.40
	003.00	USDOE	1.99
100P	040.00	TN Bank	1.49
Subtotal			164.13
Public Right of Way			15.05
Total Acreage within Economic Impact Area			179.18

12489610.2

RESOLUTION

A RESOLUTION TO APPROVE THE TAX INCREMENT FINANCING (TIF) ECONOMIC IMPACT PLAN FOR THE REDEVELOPMENT OF THE OAK RIDGE MALL ECONOMIC DEVELOPMENT AREA.

WHEREAS, the Industrial Development Board of the City of Oak Ridge, Tennessee (the "IDB") has prepared an economic impact plan (the "Economic Impact Plan") regarding the redevelopment of the Oak Ridge Mall (the "Plan Area"); and

WHEREAS, the development of the Plan Area includes retail, office, hotel, and residential facilities and related improvements (the "Project"); and

WHEREAS, the Economic Impact Plan would permit certain tax increment financing ("Tax Increment Financing") to be provided through the issuance of the IDB's bonds, notes, and other obligations in the total amount not to exceed \$13,000,000.00 pursuant to Chapter 53, Title 7 of the Tennessee Code Annotated; and

WHEREAS, the IDB has recommended the adoption of the Economic Impact Plan at a meeting on October 24, 2013; and

WHEREAS, the proceeds of the Tax Increment Financing would be used to pay the costs of eligible improvements (the "TIF Eligible Costs") relating to the development of the Project; and

WHEREAS, the incremental property tax revenues (the "TIF Revenues") that result from the development of the Plan Area under the Economic Impact Plan will be allocated to the IDB to be used to pay debt service of the Tax Increment Financing; and

WHEREAS, in accordance with the Economic Impact Plan, the IDB would issue the Tax Increment Financing to a lender or lenders to finance the TIF Eligible Costs and would pledge the TIF Revenues to such lender or lenders to apply to the debt service on the Tax Increment Financing; and

WHEREAS, the Tax Increment Financing shall not represent or constitute a debt or pledge of the faith and credit or the taxing power of the IDB, the City of Oak Ridge, or Anderson County, Tennessee; and

WHEREAS, the Board of Directors of the IDB has approved and submitted the Economic Impact Plan to the City Council of the City of Oak Ridge, Tennessee, for approval in accordance with Tennessee Code Annotated §7-53-312.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the attached Tax Increment Financing (TIF) Economic Impact Plan for the redevelopment of the Oak Ridge Mall Economic Development Area being in the interests of the citizens of the City of Oak Ridge, Tennessee, is hereby approved by the City Council and the officers of the City are authorized to take all appropriate action to carry out the terms of the Economic Impact Plan.

This the 11th day of November 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM

13-46

DATE: October 29, 2013
TO: Mark S. Watson, City Manager
FROM: Kathryn G. Baldwin, Community Development Director 
SUBJECT: LAND BANK GOALS AND OBJECTIVES

Introduction

An item for City Council's consideration is a resolution identifying the composition of the Board of Directors, establishing goals and objectives of the City Council, and prioritizing the disposition of properties.

Funding

No funding is required for consideration of this resolution.

Consideration

Ordinance No. 08-2013 established the Oak Ridge Land Bank Corporation. In order to proceed with the next phases of establishment, City Council will (1) appoint a Board of Directors, (2) provide goals and objectives for the Board, and (3) establish priorities to govern the disposition of properties.

Board of Directors

Creation of the seven-member Board of Directors consists of identifying areas of expertise that would be advantageous to pursue through the Board membership. All seven (7) directors shall be electors and taxpayers in the City of Oak Ridge with the seventh position reserved for a member of City Council. The following skills will serve as an asset in the development of a sustainable Land Bank:

Preference is given to persons with expertise in the fields of banking (including financing and property acquisitions); real estate (including marketing, appraisals, and assessments); and law (especially those with an interest in property law).

If persons with such fields of expertise are not available, consideration should be given to persons with experience in residential construction, renovation, and/or rehabilitation; knowledge of the historic neighborhood stock, individual neighborhoods and community assets; knowledge in land bank functions; and experience in non-profit organizations; or if no individuals meet the aforementioned criteria, Council may appoint persons with the best attributable qualifications.

Staff recommends appointing board members at the same meeting in December as the City's current boards and commissions.

City Council Goals and Objectives for proposed Land Bank

During the October 28, 2013 City Council Work Session, discussions were held with City Council and City Staff on the development of goals of the Land Bank. Following those in-depth discussions, City Staff has comprised a list of goals and objectives for City Council's consideration to be utilized by the Board of Directors as preferred guidance for this program:

- 1) Develop programs and partnerships that promote owner occupied housing, new home ownership, and encourage private investment.
- 2) Return property acquisitions to viable tax producing status as soon as practical.
- 3) Acquire residential and commercial property through foreclosures, donations, and negotiations in strategic locations that create a stabilizing impact on adjacent property and residential neighborhoods.
- 4) Establish a streamlined procedure that provides tax benefits and incentives for residents and absentee owners to consider dedicating property to the Oak Ridge Land Bank.
- 5) Determine highest and best use of acquired property, which when privatized, will maximize return on investment. Consideration may also be given for properties to be used for municipal purposes.
- 6) Through acquisitions, property management, investments, and property sales, develop a business model that is financially sustainable and encourages environmental stewardship.
- 7) Partner with the City of Oak Ridge, Anderson County, the Oak Ridge Housing Authority, and non-profit organizations to ensure actions do not duplicate existing efforts or create deterrents to home ownership or environmental code compliance.
- 8) Provide regular reporting to City Council through the State of Tennessee review not less than twice a year or as requested by Council.

Disposition of Properties

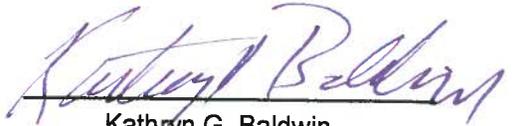
In accordance with Section 13-610 of Ordinance No. 08-2013, City Council is authorized by the State to establish a hierarchical ranking of priorities for the use of real property conveyed to the Oak Ridge Land Bank Corporation as part of the land bank. This ensures that the use and disposal criteria and goals established by City Council are met as the Board of Directors manages property acquired:

- Promote owner occupied housing and stable neighborhoods.
- Return property to productive tax-paying status.
- Assemble tracts of land for residential and commercial development.

Recommendation

Memorializing goals and objectives of the Land Bank will provide the Board of Directors with a focus for future purchase, utilization, and eventual sale of property. The ability of the Land Bank to purchase property without legislative action, sell and develop property without bid requirements, and provide a methodology for clear donation of property with resultant tax incentives will provide our community with a new tool to combat blight and create safer, cleaner, stabilized neighborhoods. This newly established partnership between the City of Oak Ridge, the Oak Ridge Land Bank Corporation, the Oak Ridge Housing Authority, and established non-profit organizations will enable protection of our neighborhood assets and the provision of quality housing for generations to come.

Staff recommends approval of the attached resolution.


Kathryn G. Baldwin

Attachments

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson



Date

RESOLUTION

A RESOLUTION TO ESTABLISH QUALIFICATION PREFERENCES FOR THE OAK RIDGE LAND BANK CORPORATION BOARD OF DIRECTORS, TO ESTABLISH GOALS AND OBJECTIVES FOR THE OAK RIDGE LAND BANK CORPORATION, AND TO PRIORITIZE THE DISPOSITION OF PROPERTIES HELD IN THE LAND BANK.

WHEREAS, by Resolution 11-109-11, City Council approved the *Not in Our City* conceptual plan which included establishment of a land bank program to reclaim unused, vacant, and/or undesirable land for potential housing opportunities or public use; and

WHEREAS, by Ordinance 08-2013, City Council created the Oak Ridge Land Bank Corporation and established requirements for the corporation set forth in City Code Title 13 Chapter 6; and

WHEREAS, the City desires to establish qualification preferences for the Corporation's Board of Directors, to establish goals and objectives for the Corporation, and to prioritize the disposition of properties held in the Land Bank; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the following qualification preferences are hereby established for the Oak Ridge Land Bank Corporation's Board of Directors: Preference is given to persons with expertise in the fields of banking (including financing and property acquisitions); real estate (including marketing, appraisals, and assessments); and law (especially those with an interest in property law). If persons with such fields of expertise are not available, consideration should be given to persons with experience in residential construction, renovation, and/or rehabilitation; knowledge of the historic neighborhood stock, individual neighborhoods and community assets; knowledge in land bank functions; and experience in non-profit organizations; or if no individuals meet the aforementioned criteria, Council may appoint persons with the best attributable qualifications.

BE IT FURTHER RESOLVED that the following goals and objectives are hereby established for the Oak Ridge Land Bank Corporation:

- Develop programs and partnerships that promote owner occupied housing, new home ownership, and encourage private investment;
- Return property acquisitions to viable tax producing status as soon as practical;
- Acquire residential and commercial property through foreclosures, donations, and negotiations in strategic locations that create a stabilizing impact on adjacent property and residential neighborhoods;
- Establish a streamlined procedure that provides tax benefits and incentives for residents and absentee owners to consider dedicating property to the Oak Ridge Land Bank;
- Determine highest and best use of acquired property, which when privatized, will maximize return on investment, and consideration may also be given for properties to be used for municipal purposes;
- Through acquisitions, property management, investments, and property sales, develop a business model that is financially sustainable and encourages environmental stewardship;
- Partner with the City of Oak Ridge, Anderson County, the Oak Ridge Housing Authority, and non-profit organizations to ensure actions do not duplicate existing efforts or create deterrents to home ownership or environmental code compliance; and
- Provide regular reporting to City Council through the State of Tennessee review not less than twice a year or as requested by Council.

BE IT FURTHER RESOLVED that, pursuant to the authority granted by City Code §13-610 and Tennessee Code Annotated §13-30-111(e), the following hierarchical ranking of priorities for the use of real property conveyed to the Oak Ridge Land Bank Corporation as part of the Land Bank are hereby established:

- Promote owner occupied housing and stable neighborhoods;
- Return property to productive tax-paying status; and
- Assemble tracts of land for residential and commercial development.

This the 11th day of November 2013.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

ELECTIONS

&

APPOINTMENTS

ANNOUNCEMENTS

SCHEDULING

CITY COUNCIL MEMORANDUM
13-22

DATE: October 30, 2013
TO: Honorable Mayor and Members of City Council
FROM: Mark S. Watson, City Manager
SUBJECT: COUNCIL REPRESENTATIVE FOR AUDIT FIRM SELECTION

Introduction

The City Council should select a representative of the City Council to serve on an Audit Selection Committee in conjunction with an auditor selection process for the next five-year period.

Background

The present City auditing firm, Pugh and Company, located in Knoxville, has served as the City auditors for the past 6 years. They are in the final year of a five-year agreement and a one-year extension. In accordance with appropriate process, it is time to make a Request for Proposals (RFP) for qualified applicant firms to fill this role for the City of Oak Ridge. As stated by the City Charter: "At the end of each fiscal year, an audit shall be made of the accounts and funds of the City, covering the operations of the past fiscal year, by a certified public accountant selected by the Council."

The City staff anticipates beginning a solicitation process in the coming weeks, with a selection to be made by January 2014 as a target date. The City Council representative's role will be to coordinate any interests, concerns, or requirements with the City Council members. The RFP details will be coordinated with the City Manager, Finance Director, and Electrical Director and involvement with an interview of finalists anticipated. A recommendation will be brought forward to the City Council for adoption and approval of the selection. This process has not been done for six years.

Action

We request a Council appointment to assist City staff in the solicitation process, review of RFPs, and development of a recommendation to the City Council.


Mark S. Watson